

THE CONNECTICUT CAMPAIGN FINANCE LAW

A GUIDE FOR CANDIDATES FOR STATE OFFICE, GENERAL ASSEMBLY AND JUDGE OF PROBATE

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INTRODUCTION

This publication is designed to serve as a guide to financing the political campaigns of candidates for State Offices, General Assembly and Judge of Probate.

Connecticut's Campaign Finance Laws are set forth in Chapter 150 of the Connecticut General Statutes, Secs. 9-333 *et seq.* Generally, within ten days of becoming a candidate for elective office, as defined by §9-333a(1), an exploratory or candidate committee must be registered with the Secretary of the State.

[Section. 9-333d, 9-333f(a), General Statutes]

Any committee established to fund the campaign of a candidate has, through its treasurer, periodic public disclosure requirements pertaining to the committee's financial transactions. A committee's treasurer also has internal record-keeping duties, must comply with limitations on the sources and amount of funds or resources the committee may receive from donors, and similar responsibilities concerning the expenditures that can be made on behalf of the candidate. It is the personal responsibility of a committee's treasurer to ensure that the committee fully complies with all of the statutory requirements relating to campaign financing.

This Guide focuses on the rules relating to the funding of campaigns for State Offices, General Assembly and Judge of Probate. The State Elections Enforcement Commission's guide entitled, "*A Guide for Municipal Candidates*," covers all municipal offices, which includes the Registrars of Voters even though that office appears on the regular state election ballot. Separate Commission Guides are also available for candidates for municipal office, committees established on an ongoing basis (party committees, political committees formed by business entities, labor unions and other organizations, committees formed by two or more individuals), and political committees formed solely to support or oppose ballot questions.

Anyone using this Guide is advised to refer to the specific statutory provisions, regulations and advisory opinions of the Commission referenced throughout. This Guide incorporates all of the changes made by the General Assembly to Chapter 150 of the Connecticut General Statutes as of January 1, 2006.

Copies of the campaign finance laws are available from both the State Elections Enforcement Commission's office and at its website www.ct.gov/seec

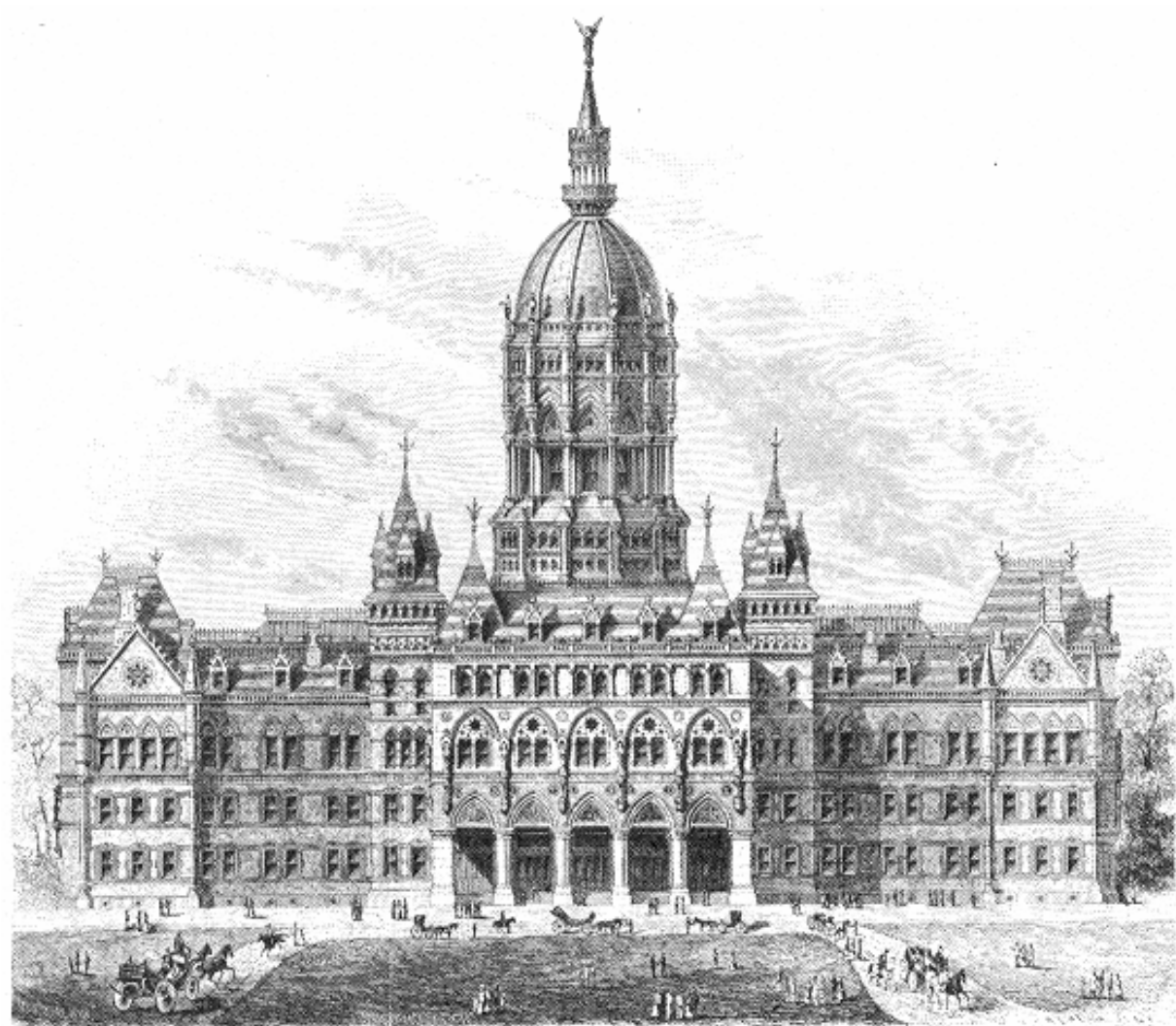


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I. DEFINITIONS OF TERMS OF PRINCIPAL IMPORTANCE TO CANDIDATES

Who is a Candidate?

A candidate is an individual who seeks nomination or election to public office, whether or not such individual is successful. An individual is deemed to be a candidate if he or she:

- a. personally, or through another person, has solicited or received funds or other resources, or made expenditures, including expenditures from personal funds, for the purpose of bringing about such individual's nomination or election to any office; or
- b. has been endorsed or nominated by a political party and is thus entitled to a position on the ballot at an election or primary (whether or not funds or resources have been solicited, received or expended); or
- c. is otherwise qualified for placement on the ballot pursuant to the election laws (whether or not funds or resources have been solicited, received or expended).

[Sections 9-333a(10), 9-400, 9-406, 9-418, and Subchapter C of Chapter 153, General Statutes]

What is an Exploratory Committee?

An exploratory committee is a political committee formed by a candidate who has not yet determined what office to seek. To qualify for forming an exploratory committee, the candidate must have more than one office under consideration in relationship to a specific election day. The sole purpose of such a committee is to decide which office to seek in a particular election.

[Section 9-333f(c), and 9-333j(f), General Statutes]

What is a Candidate Committee?

A candidate committee is a committee designated by a candidate to promote his or her nomination or election to a *specific* office. A candidate committee may only be utilized to support one candidate.

[Section 9-333a(4), General Statutes]

What is a State Office?

A State Office is the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, State Treasurer or Secretary of the State.

What is a Party Committee?

A party committee may be a local town committee of a political party or the state central committee, but does not include party-affiliated district, ward, or borough committees.

Who is a Committee Treasurer?

A committee treasurer may be any elector in Connecticut who is appointed to serve as treasurer by the candidate. The committee treasurer is the only individual who has authority to deposit funds into, or expend funds from, the committee's depository account. Only one

individual may serve as a committee treasurer at any one time. A candidate may not serve as his or her own committee treasurer. In addition, Commissioners and Deputy Commissioners of state agencies are prohibited from serving as a committee treasurer. Certain individuals associated with an investment services firm, employees of the State Treasurer's office and any member of the Investment Advisory Council are restricted from serving as a treasurer on an exploratory committee or candidate committee established by a candidate for State Treasurer. (See section entitled "Restrictions on Contributions to Candidates for State Treasurer by Individuals and Political Committees of Investment Services Firms doing Business with the State Treasurer," on Page 37.)

[Sections 9-333a(11), 9-333h(d), 9-333n(f), General Statutes; State Elections Enforcement Commission Advisory Opinion No. 83-2]

Who is a Deputy Treasurer?

A deputy treasurer must have the same qualifications and be appointed in the same manner as the committee treasurer. The purpose of appointing a deputy treasurer is to have an individual on hand who may function as the treasurer in the event that the treasurer is unable to perform the required duties of the treasurer. Only one individual may be appointed as deputy treasurer at any one time. The appointment of a deputy treasurer is optional for all committees. A candidate may not serve as his or her own deputy treasurer. In addition, Commissioners and Deputy Commissioners of state agencies are prohibited from serving as a deputy committee treasurer. Certain individuals associated with an investment services firm, employees of the State Treasurer's office and any member of the Investment Advisory Council are restricted from serving as a deputy treasurer on an exploratory committee or candidate committee established by a candidate for State Treasurer. (See section entitled "Restrictions on Contributions to Candidates for State Treasurer by Individuals and Political Committees of Investment Services Firms doing Business with the State Treasurer," on Page 37.)

[Sections 9-333a(12), 9-333h(d), 9-333n(f), 9-333x(11), General Statutes; State Elections Enforcement Commission Advisory Opinion No. 83-2]

Who is a Solicitor?

A solicitor is any individual who is appointed by the treasurer to receive funds or resources on behalf of the committee. There are no limitations on the number of solicitors that the treasurer may appoint on behalf of the committee. A candidate may serve as solicitor for his or her own campaign. Receiving funds and resources (a solicitor) is different than merely asking that donations be given to a committee. However, certain individuals are restricted from requesting donations and accepting donations on behalf of a committee, see section entitled "GENERAL PROHIBITIONS AND PENALTIES," "Prohibited Solicitations," on Page 45.

[Sections 9-333a(13), 9-333h(c), 9-333x(11), General Statutes]

Who is an Individual?

An individual is a human being, a sole proprietorship or professional service corporation organized under chapter 594a of the Connecticut General Statutes owned by one individual.

[Section 9-333a(8), General Statutes]

What is a Depository Institution?

A depository institution is any financial institution situated in or having an office in Connecticut, including but not limited to a bank, savings and loan association, or credit union. It is the treasurer's obligation to establish a single checking account for the deposit of all funds received by the committee. Further, all committee expenditures must be made from this account.

[Sections 9-333d(a), 9-333i, General Statutes; State Elections Enforcement Commission
Advisory Opinion No. 75-6]

What is a Business Entity?

A business entity includes a stock corporation, bank, insurance company, limited liability company, business association, bankers association, insurance association, trade or professional association receiving funds from membership dues and other sources, partnership, joint venture, private foundation, trust or estate, cooperative or other association, and any similar organization or entity which is engaged in the operation of a business or profit-making activity.

Note: a solely owned professional service corporation or a sole proprietorship is considered an individual and not a business entity.

[Section 9-333a(7), (8), General Statutes]

What is an Organization?

An organization includes any labor organization, employee organization, bargaining representative organization for teachers, local, state or national organization to which any labor organization pays fees or membership dues, as well as any trade or professional association receiving its funds exclusively from membership dues. However, if the membership in such trade or professional association includes business entity members, such as a professional service corporation that is not owned by a single individual, then such a trade or professional organization is deemed to be a business entity and not an organization for purposes of the campaign financing laws.

[Section 9-333a(6), General Statutes]

What is a Lobbyist?

A lobbyist is any individual, or any organization or entity which receives compensation or makes or agrees to make expenditures in excess of \$2,000 per calendar year to communicate with, or solicit others to communicate with any official, or member of such official's staff, within the legislative or executive branch of state government, for the purpose of influencing any state legislative or executive administrative action. Lobbyists are required to register with the Office of State Ethics.

[Sections 1-91(l), 1-91(c), General Statutes, as amended by P.A. 05-183]

What is a Political Committee?

In addition to the exploratory committee, defined above, this guide will sometimes reference other types of political committees established in this state by the following: business entities, labor unions and other organizations, trade or professional associations, other entities, and groups of at least two individuals. Political committees formed to support or oppose candidates for non-federal elective office in Connecticut at the state or local level

may have an ongoing existence or may be formed for only a single election or primary. Similarly, political committees formed for ballot questions may have an ongoing existence or may be formed only for a single ballot question.

While a candidate may not authorize any of these political committees as the funding vehicle for the candidate's campaign, such political committees may, for purposes and in amounts described in this Guide, be donors to the candidate's authorized committee.

[Section 9-333a(3)(4), General Statutes]

What is a Political Committee Established by or on behalf of a Lobbyist?

A political committee established by or on behalf of a lobbyist is a committee in which a lobbyist is an officer or treasurer, or which was created in consultation with, at the request or suggestion of, or is controlled by a lobbyist or his agent. A political committee established by or on behalf of a lobbyist must identify its affiliation on the committee's registration statement.

[Section 9-333g(b)(14), General Statutes]

As described later in this Guide in more detail, a political committee established by or on behalf of a lobbyist is barred from providing funds or resources to certain candidates and certain political committees while the Connecticut General Assembly is in session. See section entitled "Lobbyist Ban on Campaign Gifts to Candidates for State Offices and General Assembly," on Page 36.

[Section 9-333l(e), General Statutes; Commission Declaratory Ruling, May 8, 1991]

What is a Contribution?

A contribution includes any gift, loan, payment or expenditure of money, goods or anything of value made for the purpose of influencing the nomination or election of any individual to office.

A contribution may be monetary or non-monetary (In-Kind Contribution). All contributions are counted towards the aggregate contribution limits that apply to the particular donor.

It is important for the treasurer to determine whether or not a receipt or expenditure constitutes a contribution that counts against the aggregate contribution limits allowed from the particular donor. These limits are discussed later in the section entitled "What Contributions May Be Lawfully Accepted By a Committee?," on Page 15.

The following are examples of transactions that generally constitute contributions:

- A gift of money by an individual, which may be by cash, personal check, other bank instrument or credit card. An individual may not make a cash contribution in excess of \$100 to a committee for the duration of the campaign. Any contribution in excess of \$100 must be made by personal check of the individual or credit card.
- The transfer of monetary or non-monetary assets by a committee to another committee. Any monetary contribution by a committee to a candidate committee must be made by check drawn on the donor committee's designated depository account.

- The receipt or gift of goods, services, or anything of value given free of charge or at less than the usual charge (discount) to the recipient committee. Non-monetary receipts or expenditures which are contributions are referred to as “In-Kind Contributions.” An In-Kind Contribution must be valued at the usual and normal charge less any amount paid by the recipient committee. An In-Kind Contribution includes such things as the use of real property for a committee headquarters, and the use of personal property such as a computer, facilities, supplies, equipment and mailing lists.
- A loan of money made by any individual or entity other than a national or state bank in the ordinary course of business. Repayments made on the loan reduce the amount of the contribution. A guarantee of payment on a loan by a third party is not a contribution unless the committee defaults on the loan and the guarantor makes payment in satisfaction of the obligation. For further discussion on loans see section entitled “SPECIAL TOPICS,” “A Loan is a Contribution,” on Page 31.
- An expenditure by a party committee which benefits a candidate or his or her committee constitutes an In-Kind Contribution to the candidate’s committee.
- An expenditure by a person (including individuals and other committees) made with the cooperation of, in consultation with, or at the request or suggestion of the candidate or his or her committee, treasurer or other agent, constitutes an In-Kind Contribution to the committee. By contrast, an independent expenditure is one which is not made with the cooperation of, in consultation with, at the request or suggestion of the candidate, his or her committee, treasurer or agent. An independent expenditure is not a contribution.
- An extension of credit for a length of time beyond normal business or trade practice is a contribution unless the creditor makes a commercially reasonable attempt to collect the debt.
- A written contract, promise or agreement to make a contribution.

[Section 9-333b(a), General Statutes]

What is an Anonymous Contribution?

An anonymous contribution is given without the contributor present and with no information about the contributor known or provided. The treasurer must be incapable of discerning the identity of the contributor.

Are Certain Monetary and Non-Monetary Receipts or Expenditures Not Considered Contributions?

Yes. There are various types of monetary and non-monetary receipts or expenditures which, depending upon the source, the amount or value of the receipt or expenditure and whether or not the receipt or expenditure is provided or made for a fund-raising affair, are not considered contributions.

The following are examples of receipts or expenditures which, although they may have to be otherwise reported, are not considered contributions, and are therefore not counted against the aggregate contribution limits:

- The candidate may give unlimited personal funds or resources into the candidate's own candidate committee, but not to any other committee – i.e. an exploratory committee (including the candidate's own), political committee or party committee. Limits exist with respect to the candidate's gifts to these other committees. Monetary donations from the candidate to his or her candidate committee must be reported by the committee's treasurer as Personal funds of the Candidate in Section G in the "Statement of Receipts and Expenditures" (Form ED-45), but not as contributions, and hence there are no aggregate contribution limits applicable to these receipts. If any person, including a relative or friend of the candidate, gives or loans the candidate money in connection with his or her campaign, the funds are not considered personal funds of the candidate. Instead, the gift or loan is considered a contribution from the donor to the campaign, subject to the contribution limits and reportable by the campaign.
- A loan of money made to a committee in the ordinary course of business by a bank or other financial institution.

[Section 9-333b(b)(1), General Statutes]

- Interest paid to the committee by the committee's bank.
- Communications advocating the election of the candidate made by a business entity, limited to its owners, stockholders, executive or administrative personnel or their family members, and similar communications made by an organization or association, limited to its members or their family members, are not contributions and this is true whether or not such communication is coordinated with the campaign of a candidate. A business entity, organization or association, in expressing its own views to its restricted class, may use brief quotations from speeches and other campaign-prepared material, but may not otherwise republish, in whole or part, campaign-prepared material. If a partisan communication is made to persons outside of this restricted class, such communication is a prohibited contribution. [Note: business entities and organizations are prohibited from making contributions and expenditures. See section entitled "Business Entity, Labor Union and other Organization Contribution and Expenditure Ban," on Page 38.]

- Uncompensated services, such as legal or accounting services, provided by individuals volunteering their time to the committee.

[Section 9-333b(b)(4), General Statutes]

- Various types of receipts or expenditures occurring at a bona-fide fund-raising affair. See section entitled "FUND-RAISING AFFAIRS," on Page 24 which explains these transactions.
- Any un-reimbursed travel expenses volunteered by an individual for his own travel on behalf of the candidate in a value not exceeding \$200 with respect to any single election.

[Section 9-333b(b)(7), General Statutes]

- The advance of a security deposit by an individual to a telephone company for telecommunications service for the committee, provided the security deposit is refunded to the individual. If the individual is not entitled to or loses entitlement to the refund, the deposit is a non-monetary receipt to the committee the value of which must be reported by the committee as an In-Kind Contribution.

[Section 9-333b(b)(13), General Statutes]

What is an Expenditure?

An expenditure includes the following:

- A purchase or payment made, or the consumption of anything of value, for the purpose of influencing the nomination or election of the candidate.
- The transfer of funds or resources by the committee to another committee. However, as explained throughout this Guide, there are restrictions which apply to these transfers.
- An expense which has been incurred by the committee but not yet paid.
- Campaign expenses paid by the candidate from the candidate's personal funds. For special reporting requirements relating to these expenses, see section entitled "RESPONSIBILITIES OF THE TREASURER," "The Treasurer Alone May Make and Authorize Expenditures," on Page 18.

II. RESPONSIBILITIES OF THE CANDIDATE OR COMMITTEE CHAIRMAN

Authorization of a Valid Funding Source

An individual must give notice of the manner in which the individual's campaign will be funded within ten days after first becoming a candidate. See Section entitled "Who is a Candidate?," on Page 3. Generally, each candidate must register a single candidate committee to fund his or her campaign. However, there are certain exemptions from this requirement. (See section entitled "Exemption from Requirement to Form a Candidate Committee," on Page 12). In addition, a candidate for an undetermined office must register an exploratory committee. (See section entitled "When Designation of an Exploratory Committee is Permitted," on Page 13).

[Sections 9-333d, 9-333f(a), General Statutes as amended by P.A. 05-235]

Designation and Registration of a Candidate Committee

The candidate must ensure that the candidate committee is registered with the office of the Secretary of the State within 10 days after first becoming a candidate. This requires registration within ten days after campaign funds or resources were first solicited, received or expended by or on behalf of the candidate or after the individual first became eligible to appear on a primary or election ballot, whichever is earlier.

Registration of a candidate committee is accomplished by filing with the Secretary of the State's office a form entitled "Registration of Candidate Committee," Form ED-49. (To register an exploratory committee, Form ED-47 must be used.)

A committee registration form is referred to in this Guide as “the registration statement.” A registration statement contains the following information:

1. The name of the committee.
2. The name, address and party affiliation of the candidate.
3. The name and address of the committee’s treasurer and deputy treasurer, if a deputy treasurer is appointed.
4. Identification of the name and address of the depository institution in Connecticut in which a single checking account is established for the committee’s funds.
5. Identification of the office being sought by the candidate and the date of the applicable election or primary. For an exploratory committee, the candidate must specify “General Assembly or State Office including State Treasurer,” or “General Assembly or State Office excluding State Treasurer,” or “Other.”

[Sections 9-333e and 9-333f(a), General Statutes]

A Candidate May Not Have More Than One Candidate Committee

A candidate is prohibited from having more than one candidate committee registered as the funding vehicle for the campaign. A candidate who has registered a candidate committee may not establish, authorize or assist in the establishment of any other committee to promote the candidate’s campaign.

[Section 9-333f(b), General Statutes]

Consistent with this prohibition, the chairperson of a “political committee” formed solely to support a candidate is under an obligation to notify the candidate of the formation of the political committee by certified mail as soon as the political committee is established. If the candidate does not disavow the political committee in writing to the office of the Secretary of the State within fourteen days after receiving such notification, or if the candidate accepts any funds from the political committee, the political committee is automatically deemed to be the candidate’s candidate committee. A violation of this prohibition against having two simultaneously existing committees is considered an extremely serious infraction of the election laws.

[Sections 9-333a(4) and 9-333f(c), General Statutes]

When and Where to File Registration and Exemption from Registration Forms?

Registration of a candidate or exploratory committee must be completed and filed with the Secretary of the State’s office within 10 days after the individual first becomes a candidate, which means (a) 10 days from the date that the individual personally, or through an agent, first solicited or received funds or made expenditures in connection with the campaign or (b) 10 days from the date that the individual first became eligible to appear on either the primary or election ballot, whichever is earlier. Automatic late filing fees of \$100 apply to any failure to meet this registration deadline.

If applicable, the “Exemption from Forming A Candidate Committee” (Form B-4) statement must be filed by the candidate during the same 10 day period and the same late

filing fees apply to a failure to timely file either the registration or exemption from registration form.

[Sections 9-333d(a), 9-333f(b), 9-333g(a), General Statutes]

When and How to Amend a Registration Statement?

Any additions or revisions to a registration statement (i.e. a change in treasurer) must be made in writing to the Secretary of the State's office within ten days of the addition or revision.

[Section 9-333g(c), General Statutes]

Appointment of the Committee's Treasurer or Deputy Treasurer

In the case of a candidate committee, the candidate is required to appoint one individual, who is a Connecticut elector, as treasurer and may appoint another individual as deputy treasurer. In the case of an exploratory committee, the chairperson is responsible for making the appointments. These appointments must appear on the committee's most current registration statement. The committee treasurer and deputy treasurer must co-sign the registration statement, filed by the candidate, signifying their acceptance of the appointment. Once appointed, the treasurer and deputy treasurer serve indefinitely, until such individual resigns, is replaced by the candidate, or becomes incapacitated. A written statement of resignation may be filed with the Secretary of the State's office in order to relieve the treasurer from the statutory obligations under the Campaign Finance Laws.

[Section 9-333f(a) and 9-333h(a), General Statutes]

Upon a treasurer's resignation or permanent incapacity, the deputy treasurer, if any, automatically succeeds as treasurer. If no deputy treasurer has been appointed, the candidate or exploratory committee chairperson has ten days in which to designate a successor treasurer to fill the vacancy by filing an amended registration statement with the Secretary of the State's office. The failure to designate a successor treasurer within this 10 day period is a violation of Section 9-333d(c), General Statutes, for which a fine penalty of up to \$2,000 can be imposed against the candidate or exploratory committee chairperson, as the case may be.

[Section 9-333d(c), General Statutes]

A committee may not transact business of any kind during a period in which the committee is without a treasurer or deputy treasurer. A candidate or exploratory committee chairperson, as the case may be, is legally liable for any such violation.

[Sections 9-333d and 9-333g, General Statutes]

An individual may serve as treasurer of multiple committees. However, a candidate may never serve as treasurer of a committee that is the authorized funding source of the candidate's campaign. This is true whether or not the authorized funding source of the candidate's campaign is a candidate committee or an exploratory committee. Commissioners and deputy commissioners of state agencies are prohibited from serving as committee treasurers for reason that they are prohibited from soliciting funds for the benefit of any candidate, political committee or political party.

[Section 9-333x(11), General Statutes]

Designation of a Depository Institution for Committee Funds

The name and address of a single depository institution located in Connecticut must be designated on the committee's registration form. All committee funds must be deposited into a single checking account established within the designated depository and all expenditures may be made only by the treasurer from this one account.

[Sections 9-333d(a) and 9-333f(b), General Statutes]

Exemption from Requirement to Form a Candidate Committee

Candidates for office who do not want to form a candidate committee do not have to do so if a certification form, entitled "Certification of Exemption from Forming a Candidate Committee" (Form B-4), is filed by the candidate with the office of the Secretary of the State. Once a candidate committee has been established for an office the use of an exemption by that committee for that office is no longer permitted. A candidate who has an exploratory committee and declares that he or she will seek nomination or election to a particular office must establish a candidate committee and cannot utilize any of the exemptions.

The exemption statement sets forth an exclusive list of the qualifying conditions for which the exemption applies, which are as follows:

- a) the candidate is one of a slate of candidates whose campaigns are to be funded solely by a town committee or a slate committee formed for the single election or primary, and expenditures made on behalf of the candidate's campaign are to be reported by the committee sponsoring his or her candidacy; or
- b) the candidate intends to finance his or her campaign entirely from personal funds and will not receive or expend funds from any other sources; or
- c) the candidate will not receive or expend in excess of \$1,000; or
- d) the candidate does not intend to receive or expend any funds, including personal funds, for the campaign.

A change in the conditions previously set forth on the "Certification of Exemption from Forming a Candidate Committee" (Form B-4) will require the filing of an amended statement within 3 business days of any such change. The amended statement must indicate the new condition for which the candidate qualifies for the exemption. In the event that the candidate, as a result of any changes, no longer qualifies for the exemption under any of the qualifying conditions, the candidate must file with the Secretary of the State's office within the three days a form entitled "Registration of Candidate Committee," (Form ED-49). Where the candidate establishes a candidate committee as a result of any change in circumstances from the candidate's earlier filing, all of the designations applicable to candidate committees will then have to be included on the new registration (i.e. the candidate must designate a treasurer, a Connecticut depository institution, etc.)

[Section 9-333f(b)(3), General Statutes]

If the candidate personally makes expenditures in the aggregate in excess of \$1,000 for the candidate's campaign then the candidate is required to file itemized financial disclosure statements as though a candidate committee had been formed and the candidate is the

treasurer. Please refer to section entitled “Treasurer Files Periodic Disclosure Statements of the Committee’s Receipts and Expenditures,” on Page 22.

[Section 9-333f(b)(2), General Statutes]

When Designation of an Exploratory Committee is Permitted

If a candidate desires to raise or spend campaign funds but has not yet determined which particular elective office to seek, the candidate must establish a political committee to support his candidacy for an undetermined office (known as an “exploratory committee”) instead of a candidate committee. An exploratory committee may be established only if the candidate is considering more than one office for a specific election date.

Registration of an exploratory committee is accomplished by filing Form ED-47 entitled “Political Committee Statement of Organization” with the office of the Secretary of the State. This registration statement must designate the name and address of the committee treasurer, a deputy treasurer, if any, the name and address of a Connecticut depository institution at which the committee’s single checking account will be opened, the date of the primary or election and whether the undetermined office being considered falls within the following categories: “General Assembly or State Office including State Treasurer,” “General Assembly or State Office excluding State Treasurer,” or “Other Office.”

Within fifteen days of the declaration of candidacy for a particular elective office, the candidate must terminate the exploratory committee and register a single candidate committee. The dissolution of an exploratory committee is further discussed in section entitled “TERMINATION OF THE COMMITTEE – DISTRIBUTION OF SURPLUS AND ELIMINATION OF DEFICITS,” “Exploratory Committees,” on Page 42.

III. RESPONSIBILITIES OF THE TREASURER

Must Deposit All Committee’s Monetary Receipts

The committee’s treasurer is responsible for depositing all funds received by the committee within fourteen (14) days of receipt and must do so in the committee’s single checking account established with the committee’s designated depository institution.

[Section 9-333h(a), General Statutes, as amended by P.A. 04-112]

The treasurer must ensure that any funds or resources received by the committee are lawful and within the aggregate limits permitted under the Campaign Financing Laws. Receipts which are either prohibited or otherwise in excess of the permissible limits set forth by law should not be deposited and must be returned to the donor by the treasurer within fourteen days of receipt or by the filing deadline for transactions falling within the reporting period, whichever is earlier.

If a monetary receipt is deposited by the treasurer into the committee’s account before it is determined to be unlawful, the treasurer must report it on the financial disclosure statement and refund the same without delay by returning the amount to the donor on a check drawn on the committee’s checking account. Any such refund must be reported as an expenditure using the Expenditure Code for the specific purpose of the expenditure. Please see “EXPENDITURE CODE DEFINITIONS AND USES” section starting on Page 50. The coded purpose for such an expenditure is “M” for “Miscellaneous” with a notation “refund of

contribution” on the financial disclosure statement corresponding with the period that the refund is made. Wherever possible, such refunds should be made in the same reporting period as the funds were deposited. The same rules apply to non-monetary receipts that are from improper sources or excessive in amount or value.

A Committee May Not Accept Certain Monetary Receipts Depending on the Method of Payment

Monetary receipts from individuals may not be accepted by the committee unless the following methods of payments are used:

- a) An aggregate amount of \$100 or less may be accepted if made by cash, personal check, bank instrument or credit card; and
- b) An aggregate amount in excess of \$100 may be accepted if made by personal check or credit card.

[Sections 9-333x(9) and 9-333m(e), General Statutes]

Monetary receipts from any other committee which is a proper source of funds must be made by check drawn on the committee’s designated depository institution.

There is a \$15 dollar limit on acceptance of anonymous cash receipts to the committee. Any anonymous cash receipt of \$15 or less may be accepted and deposited by the committee treasurer in the same manner as any other monetary receipt.

Any anonymous cash receipt that exceeds \$15 must not be accepted but rather must be immediately forwarded by the committee’s treasurer in full to the State Treasurer for deposit in the General Fund of the State of Connecticut. The treasurer is advised to check with the State Elections Enforcement Commission before remitting funds to the State Treasurer.

[Section 9-333h(b), General Statutes]

<i>AMOUNT OF AGGREGATE CONTRIBUTION(S) BY TYPE</i>	<i>PERMISSIBLE METHOD OF PAYMENT</i>	<i>INFORMATION THAT IS REQUIRED FROM INDIVIDUAL CONTRIBUTOR</i>	<i>FROM AN INDIVIDUAL UNDER 16</i>
\$0 - \$30.00	Cash, bank instrument or Credit Card	Name and Address	Yes
\$30.01- \$100.00	Cash, bank instrument or Credit Card	Name, Address and Lobbyist Status (if applicable)	No
\$100.01 - \$1,000.00	Personal Check or Credit Card	Name, Address, Lobbyist Status (if applicable), Principal Occupation and Employer	No

<i>AMOUNT OF AGGREGATE CONTRIBUTION(S) BY TYPE</i>	<i>PERMISSIBLE METHOD OF PAYMENT</i>	<i>INFORMATION THAT IS REQUIRED FROM INDIVIDUAL CONTRIBUTOR</i>	<i>FROM AN INDIVIDUAL UNDER 16</i>
\$0 - \$30.00	Cash, bank instrument or Credit Card	Name and Address	Yes
\$1,000.01 or more	Personal Check or Credit Card	Name and Address, Lobbyist Status (if applicable), Principal Occupation, Employer, and a statement indicating whether the contributor or any business associated with contributor has a contract for more than \$5,000.00 with the State	No

Table 1 - Contribution Requirements Applicable to Individuals

What Contributions May Be Lawfully Accepted By a Committee?

A Candidate Committee or Exploratory Committee may accept:

Contributions from an individual sixteen years of age or older, a candidate's spouse, or a political committee established by an organization may be accepted, subject to the following aggregate limits per donor, which are fixed by the type of office being sought by the candidate:

<i>OFFICE SOUGHT</i>	<i>LIMITS</i>
Governor	\$2,500
Lieutenant Governor Secretary of the State Treasurer Comptroller Attorney General	\$1,500
State Senator Judge of Probate	\$500
State Representative Exploratory Committee (undetermined office)	\$250

Table 2 - Contribution Limits of an Individual and a Political Committee established by an Organization.

These limits apply separately to primaries and elections.

Example (Candidate Primaries). For purposes of allocating donor contributions between a candidate primary or election, any contribution made during the period beginning with the date that the committee was established through the date of the primary is counted towards the primary limitation, and any subsequent contribution is counted towards the election. Additionally, if the donor's contribution limit is \$250 and he contributes \$250 by primary day, then an additional \$250 may be given by the same donor for the election after primary day. Another donor who gave \$100 of the applicable \$250 limit by

primary day would be allowed to give only another \$250 for the election. The application of these rules are dependent on two critical factors (a) a candidate must be challenged in a primary, and (b) timing of receipt of the donor's gift in relationship to primary day. Additionally, the candidate must remain on the election ballot in order to qualify for additional contributions relating to the election.

There are never additional limits if the candidate has a deficit following the election.

[Sections 9-333m and 9-333q, General Statutes]

Contributions from an individual less than sixteen years of age may be accepted to a maximum of \$30 for the duration of the committee.

[Section 9-333m(f), General Statutes]

An individual contributor must be either a United States citizen or a foreign national with permanent resident status in the United States.

[Title 11 Code of Federal Regulations, §110.4a]

Contributions from a political committee established by a business entity may be accepted, subject to the following aggregate limits per donor, which are fixed by the type of office being sought by the candidate:

<i>OFFICE SOUGHT</i>	<i>LIMITS</i>
Governor	\$5,000
Lieutenant Governor Secretary of the State Treasurer Comptroller Attorney General	\$3,000
State Senator Judge of Probate	\$1,000
State Representative	\$500
Exploratory Committee (undetermined office)	\$250

Table 3 - *Contribution Limits of a Political Committee established by a Business Entity.*

These limits apply separately to primaries and elections as described under Table 2.

[Sections 9-333o(d), General Statutes]

Contributions from a party committee (State Central or town committee) may be accepted without limit.

[Section 9-333s(a), General Statutes]

Contributions from a political committee established by two or more individuals may generally be accepted without limit by a candidate committee, but an exploratory committee may only accept \$250. Another qualification to this general rule is that a candidate committee may not accept contributions from political committees established by two or more individuals for (a) a referendum question, (b) a slate of candidates for election to the town committee; (c) a slate committee, or (d) a political committee that is established, directed or controlled by the same candidate.

[Sections 9-333f and 9-333t(a), General Statutes]

Contributions to an exploratory committee are not counted against the particular donor's contribution limit with respect to the same candidate's candidate committee. The exploratory committee's surplus and liabilities must be transferred to the candidate committee of the same candidate.

A Candidate Committee or Exploratory Committee may not accept:

Contributions from a national committee of a political party are prohibited.

[Section 9-333r(b), General Statutes]

Contributions from another candidate committee are prohibited as are contributions from a committee of a candidate for federal or out-of-state office. However, after a political party nominates candidates for Governor and Lieutenant Governor each of those candidate committees may make expenditures that benefit each other.

[Section 9-333r(a), General Statutes]

Only the candidate's own exploratory committee may distribute surplus funds to the candidate's own candidate committee; surplus fund distributions are prohibited from an exploratory committee of an individual who is not the candidate of the recipient candidate committee.

[Section 9-333j, General Statutes]

Contributions from a business entity, labor union or other organization are prohibited.

[Sections 9-333o and 9-333p, General Statutes]

Contributions from any other committee or entity which is not registered in accordance with Connecticut's Campaign Finance Laws are prohibited.

Lobbyists and Investment Services Firms and their employees, and committees formed by lobbyists and investment services firms, have restrictions on making contributions. See section entitled, "Restrictions on Contributions to Candidates for State Treasurer by Individuals and Political Committees of Investment Services Firms doing Business with the State Treasurer" on Page 37.

The Treasurer Alone May Make and Authorize Expenditures

The treasurer is the only individual who may authorize and make contributions or expenditures on behalf of the committee. All committee expenditures must be made by check, debit card drawn on the committee's checking account, or the committee's credit card. Committee checks must contain the committee's name and address. This information must be typed, printed or stamped on each check. The name of the treasurer must also be included, but may be handwritten. The committee treasurer may allow a committee worker or candidate to be an authorized cardholder of a credit card issued to the committee, provided that the individual's expenditures are for goods or services that are authorized by the treasurer for a lawful purpose of the committee. Additionally, a committee worker or candidate may be reimbursed by the committee if the following conditions are satisfied: (1) the worker or candidate has paid for any permissible expenditure on behalf of the committee from his or her own personal funds, (2) the treasurer authorized the expenditure, (3) the worker or candidate provides the treasurer with a written receipt from the vendor proving payment by the worker or candidate, (4) the expenditure is for the lawful purpose of the committee and (5) the expenditure is not a contribution to any other committee.

[Section 9-333i(d), (l), (j) General Statutes, as amended by P.A. 04-91]

A candidate is required to report to the treasurer each campaign expenditure of more than \$50 that he or she has paid from personal funds. This disclosure must be made by the close of the relevant reporting period and must be made even if the candidate does not seek reimbursement. The candidate must indicate whether or not reimbursement is sought at the time of this disclosure. This disclosure is reported in Section P, entitled "Campaign Expenses Paid by Candidate (Candidate and Exploratory Committees Only)", of the "Statement of Receipts and Expenditures," Form ED-45. The only exception to this disclosure requirement are campaign expenditures made by the candidate for telephone calls, travel and meals for which the candidate does not seek reimbursement, and this is irrespective of the dollar amount.

What is A Permissible Expense?

All expenditures must be made to promote the nomination or election of the candidate who established the committee. Permissible expenses include the rental of real and personal property, the purchase of computer equipment and supplies, purchasing professional services, office supplies, polling, utility costs for campaign headquarters, printing, postage, photocopying, compensation of campaign staff, travel costs of the candidate and advertising. Also, any committee organized under Chapter 150 of Connecticut's Campaign Finance Act, including candidate committees, may donate committee funds during the life of the committee in *any* amount to the Citizens' Election fund established by section 2 of Public Act No. 05-5 for the public financing of campaigns for State or General Assembly offices after January 1, 2007.

[See Sections 9-333i(g)(2) and P.A. No. 05-5, Sec. 53, General Statutes.]

No goods, services, funds and contributions received by any committee may be made available for the personal use of any candidate or individual. Expenditures for "personal use" include expenditures to defray normal living expenses for the candidate, the immediate family of the candidate, or any other individual. Expenditures for personal use are those that

have no direct connection with, or effect upon, the campaign of the candidate. The treasurer, however, may not under any circumstances pay the candidate or the candidate's immediate family for services rendered to the campaign.

[Section 9-333i(g)(2)(L) and (g)(4), General Statutes]

Other improper expenditures include any expenditures by committee officers or workers which have no substantial relationship to the lawful activity of the committee.

Further, committee funds or resources may not be used to provide an honorarium to compensate, or make a gift to, an elected public official for a speaking engagement or other service rendered on behalf of the committee unless they are for reimbursements for the elected official's actual travel expenses to make the speech or perform the service, or for food and beverage consumed by the elected official or members of the elected official's immediate family at the speaking engagement.

[Section 9-333i(h), General Statutes]

A candidate committee cannot transfer funds to any other committee or make expenditures which benefit other candidates or committees. However, after a political party nominates candidates for Governor and Lieutenant Governor each of those candidate committees may make expenditures that benefit each other. See, also, exceptions in the next section.

Expense Sharing by Committees

A candidate committee is prohibited from making any contributions or expenditures that benefit other candidates or committees. However, there are three exceptions to this rule:

1. A candidate committee must pay its *pro rata* share of the expenses of operating a campaign headquarters and of preparing, printing and disseminating any political communication that benefits its candidate and is paid for by any other candidate or candidates;
2. A candidate committee may reimburse a party committee for any expense incurred by the party committee to benefit the candidate; or
3. Candidates for Governor and Lieutenant Governor may make expenditures that benefit each other after they have become their party's nominees for those offices.

The recipient committee shall report the reimbursement received from the other committee in Section C, "Contributions and Reimbursements from Other Committees," of its "Statement of Receipts and Expenditures," Form ED-45. The committee that makes the expenditure which benefits other candidates must disclose it in Section N, "Expenditures," of its "Statement of Receipts and Expenditures" along with the name or names of the other candidates supported, in Column 4, together with an indication that *Reimbursement Claimed* is sought from the candidates supported. *Please note:* A candidate committee that makes an expenditure to benefit other candidates must be reimbursed by the other candidates at the time of the expenditure to avoid making a prohibited contribution, except that candidates for Governor and Lieutenant Governor do not have to reimburse each other for reason that they are permitted to make expenditures that benefit each other, as noted in number 3 above. *Pro rata* means the proportion of space or time devoted to a single candidate in relationship to all

other candidates. In the case of a printed advertisement, *pro rata* means the proportion of space devoted to each candidate. In the case of audio or video advertising, *pro rata* means the percentage of time used. The Commission will permit any reasonable allocation that is made in good faith by the treasurer of the candidate committee making the expenditure that benefits other candidates.

[Sections 9-333l(b), 9-333j(c)(1)(C) and 9-333r(a)(5), General Statutes]

Joint Fund-raising Events Held to Benefit Two or More Candidates

Two or more candidate committees may form a separate political committee for the purpose of holding one or more fund-raising affairs to benefit the candidates' campaigns.

Prior to any fund-raising affair held by the committee, the candidates must determine how the net proceeds will be divided. This can be done either on an equal basis or by any other ratio agreed upon by the candidates.

Each monetary receipt, whether or not a contribution, will be attributed to the donor and distributed to each of the committees which formed the political committee in accordance with the candidates' prior agreement, or on an equal basis if there is no agreement, provided that notice of how the proceeds are to be divided must be given to those solicited and attending the fund-raising affair. Receipts so divided must be counted against any aggregate limits applicable to donors giving to the candidates' committees. This counting of limits applies to both contribution limits and the ceilings applicable to transactions that are exemptions from contributions.

After each fund-raiser is held and all of the expenses related thereto are paid by the treasurer of this political committee, the proceeds must be distributed within fourteen days after the event to each of the candidates' committees in the applicable distribution ratio of the event. Funds may be transferred to the political committee by each of the candidate's committees to pay expenses of the event, but must be in accordance with the allocation ratio agreed upon for division of the proceeds. Within seven (7) days of the committee's final distribution, the treasurer is required to dissolve the committee and file a terminating financial disclosure statement with the office of the Secretary of the State.

[Sections 9-333j(e)(E)(3) and 9-333l(a), General Statutes]

The Treasurer May Establish a Petty Cash Fund

The treasurer of a committee is permitted to establish a single petty cash fund by drawing a check on the committee's account in an amount which may not exceed \$100. The treasurer may replenish the petty cash fund from time to time, provided that the total balance of the fund may never exceed \$100, and provided further that the fund is not replenished more than twice in any seven (7) day period.

Expenditures made from a petty cash fund are limited to \$25 per transaction (i.e. purchase of supplies for the committee) and must be reported by the treasurer in the same manner as any other expenditures. The treasurer must maintain a written account of all petty cash expenditure disbursements and keep such records for four (4) years from the date of the report in which they were disclosed.

[Section 9-333i(e), General Statutes]; Regulations of Conn. State Agencies §9-333i-1)

Treasurer May Appoint Solicitors

All solicitors must be appointed by the treasurer. Solicitors may solicit and receive monetary and non-monetary donations on behalf of the committee, including but not limited to receipts related to fund-raising events sponsored by the committee as well as donations received while engaging in door-to-door solicitation of individuals.

The solicitor may never deposit committee funds; only the treasurer may deposit funds received by the committee. The solicitor must, within seven days of receipt of any goods, funds or contributions, deliver the same to the treasurer for acceptance. The treasurer must deposit funds within fourteen days of his receipt from the solicitor. A solicitor also may not expend funds he or she receives, and must deliver them only to the treasurer, in the form he or she received them.

There are no limitations on the number of solicitors that the treasurer may appoint.

No later than one day prior to the treasurer's required filing date, each solicitor must submit to the treasurer a list of the names and addresses of all persons from whom or from which monetary or non-monetary receipts were collected by the solicitor on behalf of the committee.

[Section 9-333h(c), General Statutes]

The treasurer should keep an accurate list of the name and address of each individual who is appointed to serve as a solicitor. Although the names of solicitors need not be disclosed in the treasurer's financial disclosure statements, the law requires the treasurer to keep internal records, which may be subject to audit, including a record of each such appointment and the term of appointment.

Treasurer Must Retain a Record of All Committee Receipts and Expenditures and Must Keep Internal Records

The treasurer must retain bank statements, deposit tickets, bills, credit card and debit card slips and statements (See section entitled, "Credit Card Contributions from Individuals" on Page 33.), invoices, travel itineraries and canceled checks relating to all committee receipts as well as all expenditures, including cash register receipts or other satisfactory documentation from the candidate and committee workers who have been reimbursed for items they purchased directly. These internal records must be kept for four years from the date on which the termination statement is filed. Internal records must be kept in support of each entry on the treasurer's statement of receipts and expenditures, solicitor appointments, copies of tickets printed, invitations and program books for fund-raising affairs, compensation and loan agreements, etc. It is strongly recommended that copies of checks received be kept.

[Section 9-333i(f), (j), General Statutes , as amended by P.A. 04-91]

The treasurer is required to publicly disclose in the committee's financial disclosure statements the different categories of information regarding each individual who has contributed in excess of \$30 in the aggregate during the campaign. See Table 1 - *Contribution Requirements Applicable to Individuals* on Page 15. Consequently, it is important to internally record the contributor information on a ledger, computer, or index card system to ensure that the reporting requirement is satisfied at the time the individual exceeds the \$30 threshold.

[Section 9-333](c), General Statutes]

Treasurer Files Periodic Disclosure Statements of the Committee's Receipts and Expenditures

The treasurer must file a financial disclosure statement with the office of the Secretary of the State by the following deadline dates: the 10th day of January, April, July and October, on the 7th day prior to the election and, if the candidate is in a primary, on the 7th day prior to the primary. If such deadline date falls on a Saturday, Sunday or legal holiday, the statement shall be filed on the next business day. This filing must be submitted at some time during the filing period, which begins at the conclusion of the reporting period and ends on the filing deadline date. A more specific calendar, with the actual filing dates and reporting periods, is available from the State Elections Enforcement Commission and the Secretary of the State. Statements are timely if they are either postmarked by the United States Postal Service, or by a delivery service designated by the Secretary of the Treasury of the United States, before midnight on or before the required filing deadline date or delivered by hand to the Secretary of the State's office by the close of business hours on or before the filing deadline day.

[Section 9-333](d), as amended by P.A. 05-235 General Statutes]

The financial disclosure statement, entitled "Statement of Receipts and Expenditures," Form ED-45, itemizes all financial activity identifying the name and address of the source of all monetary receipts of the committee, all non-monetary receipts constituting In-Kind Contributions to the committee and the value thereof, as well as all contributions, certain non-monetary receipts in connection with a fundraising affair whether or not they constitute contributions, and expenditures made by the committee. The treasurer may electronically replicate this form and file a computer print-out or, if necessary, may use the pre-printed paper form provided by the Secretary of the State which may include, where necessary, typed schedules and attachments. When using computer spreadsheets or other computer forms it is important to duplicate the section headings and all the data elements that appear on the "Statement of Receipts and Expenditures," Form ED-45.

The treasurer of a committee may be able to use, for some reports, an unitemized short form disclosure statement, entitled "Exemption for Itemized Reporting," Form ED-46, which certifies that the committee has not had monetary or non-monetary receipts or made expenditures in excess of \$1,000 from the time of its creation to the close of the relevant reporting period.

Once an itemized financial disclosure statement is required for the transactions of the committee, the committee treasurer must then continue to use the itemized disclosure statement entitled "Statement of Receipts and Expenditures," Form ED-45, for all of the committee's remaining required financial disclosure statements. Further, the first itemized

disclosure statement must include all of the reportable financial transactions which have occurred since the creation of the committee through to the end of the reporting period covering the first itemized financial disclosure statement.

The reporting period for each disclosure statement filed on the 10th day of January, April, July and October must include the financial activity of the committee beginning on the first day not included on the last filed financial disclosure statement and ending on the last day of the month preceding the month in which the statement is required to be filed. Each disclosure statement filed on the seventh day preceding Election Day or Primary Day, however, must include the financial activity of the committee beginning the first day not included on the last filed financial disclosure statement and ending as of seven (7) days immediately preceding the required filing date. Each treasurer of a committee may, as a matter of discretion, extend the mandatory reporting period to include any of the days within the filing period, including the filing deadline date, provided that *all* of the financial transactions of the committee within such extended reporting period are fully disclosed.

In addition to the quarterly and pre-election statements, financial disclosure statements are required to be filed within forty five (45) days after the election, if the election is not held in November, or within thirty (30) days following an unsuccessful primary.

Following an election or unsuccessful primary, the candidate committee must be terminated. There are additional reporting requirements relating to the dissolution of these committees (making up deficits, distributing surpluses). Please refer to section entitled "TERMINATION OF THE COMMITTEE – DISTRIBUTION OF SURPLUS AND ELIMINATION OF DEFICITS," on Page 42 for more information concerning these reporting requirements.

Electronic Filing

There are certain additional requirements for filing financial disclosure statements in electronic form in instances where a candidate for statewide office has either raised or spent more than \$250,000 from the committee's inception. However, *any* candidate committee *may* file in electronic form any financial disclosure statements required by section 9-333j. Any such candidate committee should contact the Office of the Secretary of the State to ascertain how to electronically file.

[Section 9-348ee, General Statutes]

Late Filing Fees

Failure to file the financial disclosure statement by the applicable deadline date subjects the treasurer to an automatic \$100 late filing fee, which must be paid by the treasurer from personal, not committee, funds. Similarly, failure to file a registration statement or qualified exemption within 10 days of becoming a candidate subjects the candidate to a \$100 automatic late filing fee, which must be paid by the candidate from personal, not committee, funds. Late filing fees are payable to the Secretary of the State.

Additionally, the failure by the treasurer or the candidate, as the case may be, to submit these filings within 21 days after receiving a failure to file notice from the Secretary of the State by certified mail, return receipt requested, will subject the noticed treasurer or candidate to an additional fine of \$200 to \$2,000. These additional fines and penalties are

administered by the State Elections Enforcement Commission and the Secretary of the State is required to refer such failures to the Commission within twenty-eight days after the Secretary mails such failure to file notice.

[Section 9-333y, General Statutes, as amended by P.A. 05-235]

Copies of Disclosure Statements

The treasurer must provide the candidate and committee chairman, if applicable, with a duplicate copy of the disclosure statement at the time of filing.

[Section 9-333j(c), General Statutes]

IV. FUND-RAISING AFFAIRS

A “fund-raising affair” is a political gathering sponsored by the committee for which it charges an attendance fee, or is a tag sale or auction to sell items to the committee’s invited guests. In order to utilize a program book that sells advertising space, the fund-raising affair must be a *bona fide* event intended to make a profit exclusive of any non-contribution receipts and it must include a program for the fund-raising affair. The issues which most commonly arise concerning a fund-raising affair are whether the funds or resources given or received are treated as contributions, or as receipts which are not contributions, and how to disclose these types of receipts on the treasurer’s financial disclosure statement.

Whether Monetary and Non-Monetary Receipts at a Fund-raising Affair Constitute Contributions

As previously stated, certain monetary and non-monetary receipts are not considered contributions under the law. Each receipt constitutes a “contribution” unless it falls within one of the narrowly defined exemptions. Certain transactions associated with a fund-raising affair may result in receipts that are not considered contributions depending on the dollar value of the receipt. These receipts must be disclosed in Section K(4), entitled “In-Kind Donations Not Considered Contributions,” of the “Statement of Receipts and Expenditures,” Form ED-45. Once these limits are exceeded the entire receipt must be reported as a “contribution” in Section B of the “Statement of Receipts and Expenditures,” Form ED-45. A monetary receipt for an item purchased at a fund-raising affair is not reduced by the value of the item (i.e., price paid for television purchased at a committee sponsored tag sale is not diminished by the fair market value of the television).

[Section 9-333b(b), General Statutes]

The following is a list of the most significant types of monetary and non-monetary receipts which are not considered contributions:

- The donation or purchase by an individual of an item of personal property to a committee for a fund-raising affair if the aggregate amount of the donation or purchase does not exceed \$50.

[Section 9-333b(b)(9), General Statutes]

Example A. Jane Doe donates three compact discs to a committee to be sold at a tag sale, and the value of each CD is \$10, or a total of \$30. This non-monetary receipt is not a contribution and must be reported in Section K(4).

Example B. Jane Doe purchases a used television for \$60 at a committee sponsored tag sale. She has made a \$60 contribution because the value of the purchase is over \$50. This monetary receipt constitutes a contribution from Jane Doe of \$60 which is counted against her contribution limit to the committee and must be separately itemized in Section B of the disclosure statement entitled “Contributions From Individuals Over \$30 in Aggregate.”

- The donation by a business entity of goods or services for a fund-raising affair if the aggregate value of the goods or services does not exceed \$100. These items will be reported in Section K(4). Please note that a business entity may only donate goods or services that it sells or provides as part of its business. If the value of these goods or services exceeds \$100 it is an illegal contribution.

[Section 9-333b(b)(12), General Statutes.]

Example C. ABC Corporation, a printing company, donates free printing services to a committee for a fund-raising picnic worth \$90 in value. This non-monetary receipt is not a contribution and must be reported in Section K(4).

Example D. The same corporation donates \$110 worth of printing to the fund-raising affair. It has made a prohibited contribution because the value of the printing exceeds \$100 and therefore this exemption does not apply. The In-Kind Contribution may not be accepted and must be returned immediately by the treasurer, or the committee may purchase the printing from ABC Corporation.

- The purchase by a business entity of advertising space in a program for a fund-raising affair held by a committee if the purchase price for the space does not exceed \$250. Unlike the other fund-raising affair exceptions, which apply separately to each fund-raising affair conducted by the committee, the \$250 advertising space purchase exception applies cumulatively to all purchases by the same business entity during the entire campaign of the candidate. These transactions are reported in Section K(3).

[Section 9-333b(b)(10), General Statutes.]

Example E. XYZ Corporation purchases advertising space in a program booklet for a fund-raising dinner sponsored by a committee and the purchase is \$200. This monetary receipt from the corporation is not a contribution and may be accepted. As previously stated, the treasurer is required to report all monetary receipts whether or not the funds received constitute a contribution to the committee. The \$200 purchase is reported in the name of XYZ Corporation, together with other advertising receipts, in Section K, “Fundraising Events,” of the committee’s disclosure statement. XYZ Corporation may subsequently purchase no more than \$50 of advertising space in program booklets for other fund-raising affairs held by the same committee throughout the campaign. *For the exception to apply, the committee must actually hold a bona fide fund-raising affair as defined in the beginning of this section and produce a program booklet containing the advertising.*

- The purchase by “persons” other than business entities of advertising space in a program for a fund-raising affair held by the committee may not exceed \$50 to qualify for the exception. “Other persons” for this purpose may be individuals,

committees, labor unions or other organizations, trade or professional associations. This \$50 advertising space exception also applies cumulatively for the life of the candidate's campaign. These transactions are reported in Section K(3).

[Section 9-333b(b)(10), General Statutes.]

- There are special provisions relating to expenses of a fund-raising affair or gathering held for a candidate in the personal residence of an individual. No contribution is made by the host for expenses paid by the host for invitations, food or beverages for the event if the aggregate cost to the host does not exceed \$200. These costs are In-Kind receipts that are not counted against such individual's contribution limit, but must be disclosed in Section K(4) if it is for a fundraising affair. However, if the cost to the host exceeds \$200, the entire value is an In-Kind Contribution that is counted against the contribution limit of the individual and must be disclosed in Section M of the treasurer's financial disclosure statement. This exemption does not apply to hosted events outside of an individual's personal residence.

[Section 9-333b(b)(5), General Statutes]

Reporting of Fund-raising Affairs

The treasurer is required to disclose all receipts of a fund-raising affair whether or not such receipt constitutes a contribution to the committee. All monetary receipts which are contributions may be recorded in Section A, "Total Contributions from Small Contributors," if the contributor has contributed \$30 or less in the aggregate since the formation of the committee or else must be itemized in Section B, "Contributions from Individuals Over \$30 in the Aggregate," of the disclosure statement; and each non-monetary receipt which is a contribution must be itemized in Section M of the committee's disclosure statement (In-Kind Contributions). The purchase of fund-raising tickets are considered contributions, and therefore must be reported in Section A or B, dependent upon the amount purchased by the contributor.

The total of all funds received in connection with a fund-raising affair that do not constitute contributions must be disclosed in the aggregate in Section K, "Fundraising Events," of the committee's disclosure statement. Such itemization must include the name and address of each such purchaser and the amount.

The date, attendance fee, location and description of each fund-raising affair are required to be reported in Section K, "Fundraising Events."

Each expenditure made by the committee for the fund-raising affair must be separately itemized and disclosed by the treasurer in the same manner as any other committee expenditure in Section N, "Expenditures." The treasurer cannot merely disclose the net proceeds of the event.

[Section 9-333j(c)(1)(i), General Statutes]

V. REPORTING INFORMATION

Who Reports?

The treasurer or, in the treasurer's absence or inability, the deputy treasurer is required to file all financial disclosure statements.

How and Where to Report?

The "Statement of Receipts and Expenditures," Form ED-45 or, if applicable, the "Exemption From Itemized Reporting," Form ED-46, must be filed with the office of the Secretary of the State.

When to Report?

See section entitled "Treasurer Files Periodic Disclosure Statements of the Committee's Receipts and Expenditures," on Page 22.

What Information Must Be Reported?

- All monetary receipts, whether or not such receipts constitute contributions; all non-monetary receipts that constitute contributions; certain non-monetary receipts in connection with a fundraising affair whether or not they constitute contributions; and all expenditures made by the committee must be reported on the financial disclosure statement.
- Monetary and non-monetary contributions of over \$30 in the aggregate during the calendar year received from an individual requires disclosure of the donor's name and address, amount received during the relevant reporting period, date of the contribution and the aggregate amount given during the calendar year in Section B, "Contributions from Individuals over \$30 in the Aggregate," if monetary, or Section M, "In-Kind Contributions," if non-monetary, of the disclosure statement. In addition, all non-monetary contributions are itemized and require a description of the contribution in Section M of the disclosure statement.
- If a contribution in excess of \$30 in the aggregate during the calendar year is received from a lobbyist, or the spouse or dependent child of a lobbyist, the treasurer must also include lobbyist status in addition to the contributor's name and address on the disclosure statement.

Please note: It is the responsibility of the lobbyist or family member of the lobbyist to provide this information to the treasurer. There is an obligation on the treasurer to make due inquiry for this information.

[Section 9-333](c)(2), General Statutes]

- Any individual who contributes to the committee in the aggregate in excess of \$100, but not more than \$1,000, in addition to providing the treasurer with his name and address, must provide the treasurer with his occupation and the name of his principal employer. There is an obligation on the treasurer to make due inquiry for this information.

[Section 9-333](c), General Statutes]

- Any individual who contributes to the committee in the aggregate in excess of \$1,000, in addition to providing the treasurer with his name, address, occupation and the name of his employer, must further provide the treasurer with a statement indicating whether the contributor, or any business with which the contributor is associated, has a contract with the state which is valued at more than \$5,000. A “business with which he is associated” refers to any business in which the contributor is a director, officer, owner, limited or general partner, or stockholder of 5% or more of the total stock of the business. The treasurer is required to request this information from the contributor by certified mail within 3 days after receipt. If this information is not provided, the treasurer may not deposit any contributions which would cause the \$1,000 threshold to be exceeded, and the same must be returned.

[Section 9-333](c), General Statutes]

- The sum of all monetary contributions from individuals (as distinguished from other sources, such as other committees) of \$30 or less in the aggregate during the calendar year may be disclosed as an un-itemized total, and entered in Section A of the form entitled “Total Contributions From Small Contributors--This Period Only”, or else itemized in Section B entitled “Contributions from individuals over \$30 in the Aggregate.” *Note:* As soon as monetary contributions from such individual exceed \$30 in the aggregate from the date of formation of the committee, the itemized contribution information above must be disclosed and entered in Section B.
- Anonymous monetary receipts of \$15 or less during the reporting period are reported in Section D, “Anonymous Contributions,” and must include the denomination of the bills and the total value of all coins received anonymously.
- The name and address of any bank or other lender which has made a loan to the committee, and the principal amount of the loan received in a reporting period must be disclosed in Section I, “Loans Received,” along with the name and address of any person who is a guarantor or cosigner of the loan. Loans must be continuously reported as a debt, under item 14 of the Summary Page of the itemized financial disclosure statement, until paid.
- The date, attendance fee and description of each fund-raising affair is required to be reported in Section K, “Fundraising Events.”
- Any funds provided by the candidate to his or her candidate committee for which no repayment is expected. These funds are not subject to limits and must be reported in Section G, “Personal Funds of the Candidate.” Any loan by the candidate must be reported in Section I, “Loans Received.” *Note:* A candidate’s donation or loan to his or her exploratory committee is subject to the \$250 limit applicable to all other individual donors.
- Any receipt during the reporting period from another committee or entity must be reported as either a contribution, in Section C, “Contributions and Reimbursements from Other Committees,” or as a monetary receipt that is not a contribution, in Section K “Fundraising Events” (i.e. purchase of advertising space); or as a reimbursement relating to expense sharing, in Section M “In-Kind Contributions.”

- All other monetary receipts that are not contributions must be disclosed. Examples include interest posted or received from deposits in authorized investment accounts (reported in Section H entitled “Interest from Deposits in Authorized Accounts”); bank credits or refunds (reported in Section J entitled “Miscellaneous Monetary Receipts not Considered Contributions”); and certain other monetary receipts from fund-raisers (purchases of goods or ads in program books reported in Section K, “Fundraising Events”).

[Section 9-333j, General Statutes]

In-Kind Contributions

An In-Kind Contribution is the donation of goods, services or anything of value given free of charge or at less than the usual charge to the recipient committee. An In-Kind Contribution is valued at the usual and normal charge less any amount paid by the recipient committee.

A discount is the difference between the usual and normal charge for goods or services and the amount charged to the recipient candidate or committee. A discount is a type of In-Kind Contribution.

A business entity may sell to a candidate committee food or beverage at a discount as long as the charge is not less than the cost to the business entity and the cumulative value of the discount given is not more than \$200 with respect to any single election. These discounts are not considered In-Kind Contributions because of this exception.

[Section 9-333j, General Statutes]

Contributions of goods and services must be disclosed in Section M, “In-Kind Contributions” of the committee’s financial disclosure statement. *Note:* Uncompensated services provided by an individual who volunteers his or her time to a committee is not an In-Kind Contribution and need not be reported; however services provided by an individual which are compensated by another committee, individual, or any other entity, must be reported.

An expenditure made by another individual, other committee or other entity of any kind that is coordinated with, authorized by, or provided at the request or suggestion of the committee or its agent is an In-Kind Contribution to the committee and must be reported as such in Section M, “In-Kind Contributions,” of the committee’s financial disclosure statement.

Each treasurer of a political or party committee which makes an In-Kind Contribution of goods to a candidate committee is required to send written notice to the recipient committee’s treasurer setting forth the donor treasurer’s valuation of the In-Kind Contribution. This notice must be sent by the donor committee’s treasurer before the close of the recipient committee’s reporting period in which the In-Kind Contribution was made. The notice must be signed by the treasurer of the donor committee and include the full name of the donor committee, the date on which the contribution was made, and a complete description of the contribution as well as a statement of the value of the contribution. Any dispute concerning the information contained in such notice will be resolved by the treasurer of the recipient committee. The treasurer is required to preserve each such notice issued or received for four years from the date of filing of the committee’s termination report.

[Section 9-333h(a), General Statutes]

Candidate committees may not make contributions, including in-kind contributions, to other candidate committees, with the exception of the candidates that have already received their party's nomination for the office of Governor and Lieutenant Governor. While the statute does not require written notice of the value of the in-kind contribution between candidate committees for Governor or Lieutenant Governor, disclosure of the value of an in-kind contribution is nevertheless required, so it is advisable that the two campaign treasurers work closely with each other on matters of valuation concerning expenditures that benefit both candidates.

[Sections 9-333h(a) and 9-333r(a), General Statutes]

Expenditures

Each expenditure, regardless of the amount, must be separately itemized with the following information: the payee's full name and address, the amount, date and the correct Expenditure Code identifying the purpose of the expenditure. Please see "EXPENDITURE CODE DEFINITIONS AND USES," on Page 50. Expenditures are reported in Section N, "Expenditures," of the committee's financial disclosure statement. Additionally, a candidate committee that makes an expenditure that is shared with other candidates must indicate in Column 4 of Section N the "Candidate(s) supported or opposed" and must check *Reimbursement Claimed* in Column 5.

Each loan repayment is reported separately. The name and address of each bank or other lender, the amount and date of the repayment or partial repayment (principal plus interest) on the loan during the applicable reporting period must be reported in Section N.

Each expenditure that is a reimbursement to a committee worker or candidate must be treated as any other expenditure and must include an itemization of any payments to secondary payees which exceed \$100.

Expenses paid directly by the candidate from his or her own personal funds must be itemized in Section P, "Campaign Expenses Paid by the Candidate". Any expense, irrespective of the amount, for which the candidate seeks reimbursement must be reported. In addition, any un-reimbursed expense of more than \$50 must also be reported, except telephone calls, travel and meals.

If a consultant is paid by the committee to provide services, the disclosure of each payment to the consultant must also include an itemized schedule of the payments the consultant has made to other vendors on behalf of the committee (secondary payees) that exceed \$100. See explanation for "Secondary Payee or Beneficiary" under "EXPENDITURE CODE DEFINITIONS AND USES," on Page 51.

Each expense incurred but not yet paid must also be separately itemized in the same manner as expenditures paid, including the disclosure of any secondary payees. Expenses incurred but not paid are reported in Section O, "Expenses Incurred During this Period but Not Paid." The obligation to report expenses incurred arises when the committee has received the goods or services.

[Section 9-333i(j), General Statutes, as amended by P.A. 04-91]

Other reporting information

- All monetary receipts, whether or not they constitute contributions, must be reported in the period received.
- Loans received by the committee from a source other than a bank or other financial institution are considered contributions until the principal amount of the loan is repaid. Such loans may never exceed the permissible contribution limits applicable to the donor and may never come from a prohibited source.

[Section 9-333b(a)(1) and 9-333b(b)(1), General Statutes]

- Monetary receipts in the form of personal checks written on joint accounts are attributed to the individual who signs the check.

[Section 9-333h(b), General Statutes]

- A monetary receipt in the form of a money order which bears a legible signature of the donor is considered a bank instrument. If the money order does not bear a legible signature it is considered to be “cash” and should be reported as such.

[Section 9-333m(e), General Statutes; State Elections Enforcement Commission Advisory Opinion No. 75-5]

- All funds received and accepted by the committee’s treasurer must be deposited into the committee’s single checking account at its designated Connecticut depository institution. However, the treasurer may withdraw funds from this checking account for placement in investment accounts to earn higher interest. Monetary receipts received by the committee cannot be deposited directly into these other accounts but must be first deposited into the single checking account; nor can expenditures of any kind be made directly from such investment accounts except for the purpose of re-depositing the funds into the single checking account established within the designated depository institution. All monies, including interest, must be returned to the checking account before the funds may be expended. Further, the aggregate balance of all such accounts must be reported in the balance on hand on the committee’s disclosure statements. However, transfers made between the committee’s checking account and the committee’s investment account(s), if applicable, need not be reported as expenditures.

[State Elections Enforcement Commission Advisory Opinion No. 75-6]

VI. SPECIAL TOPICS

A Loan is a Contribution

Loans are considered to be contributions, except loans made in the ordinary course of business by a bank. Loans that are contributions are subject to the overall limit on contributions to the committee. The amount of the contribution is equivalent to the principal amount of the outstanding loan. An unpaid loan, when added to other contributions from the same donor, may not exceed the contribution limit applicable to that donor. Repayments made on the loan reduce the amount of the contribution. Once repaid in full, a loan no longer counts against the donor’s contribution limit.

A loan is not a contribution if it is made by the candidate to his candidate committee or by a bank or other financial institution in the ordinary course of its business to any

committee. [Note: any amount given by a candidate to his exploratory committee is a contribution, limited to an aggregate total of \$250.]

All loans are reported in Section I, "Loans Received this Period," regardless of whether they are considered contributions. The committee treasurer and the individual or entity making the loan must execute a written agreement, and the treasurer must retain a copy of the agreement for the same period as other internal records. A loan must be continuously reported on the Summary Page of the itemized disclosure statement as a debt until repaid.

[Section 9-333b(a)(1) and 9-333b(b)(1), General Statutes]

Computers Used or Acquired by Campaigns During Candidate's Campaign

Use of Personal Computer at Home

An individual may perform campaign work at home on a personal computer owned by such individual. The individual may be the candidate, the candidate's treasurer or any other individual. Use of a personally owned computer in this manner is not a contribution and does not need to be reimbursed by the campaign. The individual may use their computer for personal purposes as well as for the campaign.

[Section 9-333b(b)(4), (5), General Statutes]

Committee May Purchase Computer

A committee may purchase a computer at fair market value. A computer purchased with committee funds must be used exclusively for the committee; no personal, business or non-campaign use of the computer is permitted by statute.

[Section 9-333i(g)(2), (4), General Statutes]

Committee May Lease Computer

1. Leasing Computer at Fair Rental Value

The committee may lease or rent a computer from any source, including the candidate, at fair rental value. A written memorandum of the terms of the rental agreement must be made, signed and dated, and kept as an internal record of the committee. The committee's payments under the lease must be reported as expenditures. Lastly, if the candidate is the one leasing the computer to the campaign, the candidate may not receive rental payments which exceed the candidate's cost of purchasing the equipment even if such payments are equal to the fair rental value. Personal use of a computer leased or rented by the committee is not allowed.

[Section 9-333i(g)(2), (3), (4), General Statutes]

2. Leasing Computer at Less Than Fair Rental Value

Leasing a computer to the committee at less than the fair rental value is an In-Kind Contribution. A candidate may make unlimited contributions to the campaign, so there is no possibility of an excessive contribution being received from the candidate. Under these circumstances, the difference between the fair rental value of the computer and the amount actually charged to the committee must be disclosed in Section M, "In-Kind Contributions" on the committee's itemized disclosure statement. There are other contributors, such as political parties, who may make unlimited contributions to the campaign and these same reporting rules for In-Kind Contributions apply.

Contributors with aggregate limits may only make an In-Kind Contribution of a computer up to the applicable contribution limit; a discounted lease arrangement valued at more than this limit would constitute an excessive contribution. Sources which may not properly make contributions to the committee, such as business entities, must lease the computer at fair rental value only.

Loaned Computer

Loaning a computer to the committee without charge is an In-Kind Contribution, which is permissible only if it comes from a source that may make contributions, subject only to the aggregate contribution limits applicable to such donor. Personal use of a computer loaned to the campaign is not allowed.

Disposition of Computer Upon Termination of Committee

Purchased Computer

The computer may be sold to any buyer for fair market value. The proceeds of this sale must be used to pay off the debts of the campaign or as part of a surplus distribution.

If the committee is indebted to the candidate, the computer may be transferred to the candidate to satisfy any or all of the debt.

In the alternative, the computer may be distributed as non-cash surplus along with any other purchased equipment and surplus funds to any eligible recipient, see section entitled "TERMINATION OF THE COMMITTEE – DISTRIBUTION OF SURPLUS AND ELIMINATION OF DEFICITS," on Page 42.

Leased Computer

Return computer and discontinue lease.

Loaned Computer

Return computer and discontinue use.

Credit Card Contributions from Individuals

Individuals may make contributions to a candidate committee by credit card (including their personal debit card) either in person, by mail, by telephone or over the Internet. Such contributions may be made in installments up to the maximum contribution limit. If an individual's contributions to the committee are made in person, by mail or over the telephone, they must be delivered to the treasurer or to an individual appointed by the treasurer to serve as a solicitor. A contribution made over the Internet, however, may only be made by utilizing the committee's official website secured for credit card transactions. A candidate may also arrange for internet contribution links through the candidate's state central committee's or town committee's official website, provided the party's website follows specific guidelines set forth by the State Elections Enforcement Commission.

In order to accept a credit card contribution from an individual, a treasurer must obtain the following information from the individual contributor:

1. Contributor's Full Name;
2. Contributor's Name as It appears on the Credit Card;

3. Residence Address of Contributor;
4. Billing Address on Record with Card Issuer (if different than residence address);
5. Individual's E-Mail Address (applicable to credit card contributions over the Internet);
6. Amount of Contribution;
7. Statement of whether contributor is a Lobbyist, Lobbyist Spouse, or Lobbyist Dependent;
8. Principal occupation, if individual's aggregate contributions to the committee exceed \$100;
9. Name of employer, if individual's aggregate contributions to the committee exceed \$100;
10. Statement of whether contributor, or business with which contributor is associated, has a contract with the state valued at more than \$5,000, if the individual's aggregate contributions to the committee exceed \$1,000;
11. Donor must affirm the statement: "I am 16 years of age or older" (applicable to contributions exceeding \$30);
12. Credit Card number, including the three or four digit security code (found typically at back of card within signature field, CVV/CVV2) ;
13. Credit Card Expiration Date;
14. Donor must affirm the statement: "This contribution is made on my personal credit card for which I have a legal obligation to pay and intend to pay from my own personal funds; payment on this card is not made from the funds of a corporation, labor organization or any other entity"; and
15. Donor must affirm the statement: "I am either a United States citizen or a foreign national with permanent resident status in the United States."

The committee must select a merchant account provider (an entity in the business to authorize the processing of credit card transactions) that is able to comply with the requirements set forth in this section.

The committee's treasurer must periodically review each transaction by utilizing the information provided by the merchant account provider or payment gateway to ensure that each contribution is from an individual's personal charge card only. The committee is required to keep the details of each transaction provided by the merchant account provider or payment gateway and to ensure that the State Elections Enforcement Commission is able, upon request, to review all such records (whether held by the committee, merchant account provider or payment gateway on behalf of the committee), whether electronic or otherwise, including the rate charged for each transaction. Failure to provide all these records will

create a presumption that any such contributions are invalid. (An individual utilizing a personal card is charged at a different rate that is distinguishable from rates charged to entities).

The information obtained by the treasurer from the individual contributor satisfies the treasurer's due diligence requirements, except if the rate structure charged and subsequently reported to the treasurer by the merchant account processor or payment gateway indicates that the transaction was charged at a rate not normally charged to individuals domestically but rather at rates charged to entities (i.e. businesses, labor unions or individuals outside of the U.S.). In such instances, due diligence requires a timely refund of the contribution based upon the information received that the transaction was really charged contrary to Connecticut law.

Each committee must promptly send confirmation of each credit card contribution received through the Internet to the contributor by electronic mail to the individual's email address. For contributions received by telephone or mail, the confirmation shall be sent to the contributor by U.S. mail. For credit card transactions made in person, each committee must obtain a signed credit card receipt from the contributor.

Contributions made by credit card shall be deemed received by the committee on the date that the contributor completes the transaction, unless a no charge decision is made within fourteen days of the transaction or by the filing deadline for transactions falling within the reporting period, whichever is earlier. A no charge decision within such time relieves the committee treasurer of any responsibility for reporting the transaction. A committee receiving contributions by credit card must report the full (gross) amount of each contribution before the payment of any fees or deductions to any third party.

The committee's treasurer is responsible for preserving all records of each credit card contribution for the period of four years from the date that the credit card transaction(s) are reported.

[Section 9-333m(d), (e), 9-333i(f), 9-333j and 9-333h, General Statutes as amended by P.A. 04-112]

Possible Internal Revenue Service Requirements

In order to open a committee checking account the treasurer will need to apply to the U.S. Internal Revenue Service for an Employer Identification Number ("EIN") on IRS Form SS-4 entitled "*Application for Employer Identification Number*."

A Candidate or Exploratory Committee may be required to file a Form 1120-POL entitled "U.S. Income Tax Return for Certain Political Organizations" if it has taxable income in excess of the \$100 specific deduction in a taxable year (usually calendar year). There is a penalty for failure to file Form 1120-POL if a filing was required. Taxable income does not include exempt function income such as contributions of money or property, but does include things like interest income.

Any questions about these IRS filing requirements should be directed to the IRS's Tax Exempt and Government Entities Customer Account Services toll free number 1-877-829-5500. Additionally, information is available at the following IRS websites: www.irs.gov or <http://www.irs.gov/charities/political/article/0,,id=96355,00.html>.

VII. RESTRICTIONS ON CONTRIBUTIONS AND EXPENDITURES FROM CERTAIN SOURCES

Restrictions on Individuals Less Than 16 Years of Age

An individual who is less than 16 years old may not make contributions to a candidate's campaign in excess of \$30 in the aggregate.

[Section 9-333m(f), General Statutes]

Restrictions on Anonymous Cash Contributions

There is a \$15 dollar limit on acceptance of anonymous cash contributions to the committee. Any anonymous cash contribution of \$15 or less may be accepted and deposited by the committee treasurer in the same manner as any other monetary receipt.

Any anonymous cash receipt that exceeds \$15 must not be accepted but rather must be immediately forwarded by the committee's treasurer in full to the State Treasurer for deposit in the General Fund of the State of Connecticut. The treasurer is advised to check with the State Elections Enforcement Commission before remitting funds to the State Treasurer.

[Section 9-333h(b), General Statutes]

Lobbyist Ban on Campaign Gifts to Candidates for State Offices and General Assembly

During certain legislative sessions, lobbyists or political committees established by or on behalf of a lobbyist may not solicit, offer or give money or anything of value, whether or not a contribution, to or for the benefit of any candidate or exploratory committee for any General Assembly or State Office, or to or for a political committee established for an assembly or senatorial district, or created or controlled by a General Assembly member or State officer, or such member's or officer's agent. For purposes of the lobbyist campaign gift ban, it does not matter whether the monetary or non-monetary receipt from the lobbyist is a "contribution" or not; all such transactions are prohibited.

[Section 9-333l(e), General Statutes]

When is the Lobbyist Campaign Gift Ban Applicable?

The ban is applicable in even numbered years during the regular session of the General Assembly, and during each regular, special or veto session in the odd numbered years. The ban begins when each session convenes and ends when the session is adjourned. [Note: The ban does not apply to special sessions and veto sessions of the General Assembly in even numbered years and when the legislature is not in session.]

Are there Other Exceptions to the Ban?

Yes. The ban does not apply to candidates in a special election for the office of State Senate or State Representative or to a candidate who has established an exploratory committee for an office(s) other than a General Assembly or State Office.

Are Lists Available of Lobbyists and Political Committees Established by Lobbyists?

Yes. Individuals, organizations or entities who are registered lobbyists are placed on a list available at the Office of State Ethics, 20 Trinity Street, in Hartford or at its website found

at <http://www.ct.gov/ethics/> . Political committees established by or on behalf of a lobbyist are placed on a lobbyist list prepared by the State Elections Enforcement Commission based upon the committee's registration statement as well as certifications required to be filed by the treasurers of all committees. A definition of the term, "political committee established by or on behalf of a lobbyist" appears in the section entitled "DEFINITIONS OF TERMS OF PRINCIPAL IMPORTANCE TO CANDIDATES," "What is a Political Committee Established by or on behalf of a Lobbyist?," on Page 6 of this Guide. The Commission also prepares a list of the political committees which are barred from receiving lobbyist contributions during the session based upon certifications filed by committee treasurers.

Can I rely on the Lists Published by the State Elections Enforcement Commission?

Yes. Any treasurer of a candidate's campaign which receives a gift from a political committee established by or on behalf of a lobbyist which does not appear on the list entitled "Political Committees Established by or on behalf of a Lobbyist" and which is received by such treasurer in good faith reliance on the published list has a defense to any action brought to challenge the acceptance of the gift. Key to this defense is that the committee acted in good faith reliance on the published lists and did not otherwise have knowledge of the special lobbying status of the donor.

Which Activities are Proscribed during the Legislative Sessions?

A lobbyist or a political committee established by or on behalf of a lobbyist is prohibited from doing any of the following for a candidate or exploratory committee of a candidate for State Office or General Assembly office, or a political established by or on behalf of a statewide officer or member of the General Assembly:

- Making or soliciting a contribution or payment to the candidate or committee;
- Providing goods or services to or for a fund-raising affair;
- Purchasing items at such a fund-raising affair; or
- Purchasing advertising space in a program booklet for a fund-raising affair.

[Section 9-333(e), General Statutes]

Restrictions on Contributions to Candidates for State Treasurer by Individuals and Political Committees of Investment Services Firms doing Business with the State Treasurer

Certain individuals who are associated with an entity which provides investment services to the State Treasurer, and to which the State Treasurer pays compensation, expenses, fees or issues a contract, are barred from soliciting or making any contribution to a candidate or exploratory committee for nomination or election to the office of State Treasurer. The ban applies to the campaigns of the incumbent State Treasurer and all challengers, and to an exploratory committee of any candidate who has not ruled out, among the offices being explored, a campaign for nomination or election to the office of State Treasurer.

A "principal of an investment services firm" (the "restricted class") means: a) any individual who is a director or has an ownership interest in an investment services firm, except for owners with less than 5% of the shares of an investment services firm that is publicly

traded; b) any individual employed by an investment services firm as president, treasurer, or executive or senior vice president; c) any individual who is an employee of an investment services firm who has managerial or discretionary responsibilities with respect to investment services provided to the State Treasurer; and d) the spouses or dependent children of the foregoing individuals. Further, political committees established by any of the foregoing individuals as well as business entity political committees established by investment services firms doing business with the State Treasurer are also covered by the ban.

The ban applies for the entire term of office of the State Treasurer who paid compensation, fees, expenses or issued a contract to the investment services firm. For example, the restricted class of contributors associated with an investment services firm to which the State Treasurer paid compensation in the first year of the State Treasurer's first term of office would thereafter be barred from soliciting or making contributions to a candidate or exploratory committee for State Treasurer until the beginning of the year following the expiration of such State Treasurer's last term of office. In other words, the ban spans the entire elected terms of the State Treasurer who made such payments to the restricted class's investment services firm.

Not only are such restricted class individuals and political committees restricted from making or soliciting contributions for State Treasurer but it is also illegal for candidate committees and exploratory committees for State Treasurer to solicit, accept and deposit any such contributions. Similarly, no agent of any candidate committee or exploratory committee for State Treasurer may solicit contributions from such individuals or political committees for any other elective office with the following exception: an exploratory committee established by the incumbent State Treasurer for any public office other than State Treasurer.

In addition, no member of the State Investment Advisory Council appointed under section 3-13b, General Statutes, shall make a contribution to, or solicit contributions, on behalf of an exploratory committee or candidate committee established by a candidate for the office of State Treasurer.

Violation of these restrictions may prohibit the State Treasurer whose candidate or exploratory committee benefited from such contributions or solicitations from paying compensation, expenses or fees to any firm with an existing contract with the State Treasurer or will prohibit the State Treasurer from issuing a future contract to any such firm during the entire term of office of the State Treasurer, including, for an incumbent Treasurer seeking reelection, any remainder of the current term of office. Any questions concerning this business prohibition provision should be addressed to the Office of State Ethics.

[Sections 1-84(n), 9-333n(f), 9-333o(f), General Statutes]

Business Entity, Labor Union and other Organization Contribution and Expenditure Ban

Generally, the treasury funds or resources of a business entity organization cannot be used to make contributions or expenditures to or for the benefit of candidates or their committees. The following are exceptions to the restriction:

- A business entity may pay the costs of directly communicating with its owners, shareholders, executive and administrative personnel and their families on any

subject, including expressly advocating the election or defeat of a specific candidate. However, the communication must be created by the business entity to qualify for the exception. The business entity may not use its funds to republish campaign material created by a candidate or candidate's committee.

[Section 9-333b(b)(2), General Statutes]

- An organization may also pay the costs of communicating with its members and their families on any subject, including expressly advocating the election of a candidate. However, as in the case of a business entity, the communication must be created by the organization to qualify for the exception. The organization may not use its funds to republish campaign material created by the candidate or candidate's committee.

[Section 9-333b(b)(2), General Statutes]

- A business entity may sell to a candidate, or candidate's committee, food or beverage at a discount as long as the charge is not less than the cost to the business entity and the cumulative value of the discount given is not more than \$200 with respect to any single election. These are not In-Kind Contributions if the discounts remain within these limits.
- The business entity may purchase up to \$250 worth of advertising space in a program book for fund-raising affairs sponsored by any candidate or candidate's committee and this limit applies to the entire election cycle. Exceeding this limit would constitute a prohibited contribution in violation of Section 9-333o, General Statutes.

[Section 9-333b(b)(10), General Statutes]

- A labor union or organization may purchase up to \$50 worth of advertising space in a program book for a fund-raising affair sponsored by any candidate or candidate's committee and this limit applies to the entire election cycle. Exceeding this limit would constitute a prohibited contribution in violation of Section 9-333p, General Statutes.

[Sections 9-333b(b)(10) and 9-333p(a), General Statutes]

- A business entity may provide goods or services to a candidate committee for a fund-raising affair where the cumulative value of such goods or services is not more than \$100 per affair. A business entity may only donate goods or services that it sells or provides as part of its business. A business entity may not purchase goods for a fundraiser or provide funds to a committee with which to buy goods. If the donation by a business entity exceeds \$100 per fund-raising affair the entire amount is a prohibited contribution which violates Section 9-333o, General Statutes. Valuation of these goods or services is the obligation of the recipient committee's treasurer.

[Section 9-333b(b)(12), General Statutes]

Please Note: Business entity or organization treasury funds may not be used to reward, give a bonus to or in any manner reimburse any individual for contributing funds or resources to a candidate or committee. Such reward would be an illegal contribution.

VIII. IDENTIFICATION OF POLITICAL CAMPAIGN COMMUNICATIONS

Attribution Requirements for Written Communications

“Written, typed or printed communications or web-based written communications” includes communications that support or oppose a candidate and those that solicit campaign funds, and may consist of letters, brochures, circulars, websites and web-based communications, billboards, transit advertisements, newspaper advertisements and similar communications, as well as campaign signs that are greater than 32 square feet in surface area.

Any committee which finances any written, typed or printed communication, or any web-based written communication, must include on the face of the communication the text “Paid for by” together with the name of the sponsoring committee and its treasurer.

Any self-funded candidate without a committee who finances a written, typed or printed communication or web-based communication must similarly include on the face of the communication the words “Paid for by” together with the candidate’s name and address.

An individual who is not a candidate and who finances a written, typed or printed communication or web-based written communication with the cooperation of, at the request or suggestion of, or in consultation with any candidate, agent of a candidate or candidate committee must also include on the face of the communication the words “Paid for by” together with the name and address of the individual financing the communication.

In addition to the foregoing attribution requirements, communications financed by any individual or candidate committee with the cooperation of, at the request or suggestion of or in consultation with any candidate, agent of a candidate or candidate committee, must also include on the face of the communication the words “approved by” together with the name of the candidate who approved the communication, whether or not the communication is in support of the approving candidate or an approved candidate communication in opposition to some other candidate.

[Section 9-333w(a), General Statutes, as amended by P.A. 05-188]

Attribution Requirements for Television or Internet Video Advertising Communications

In addition to the attribution statement, any candidate, candidate committee or exploratory committee that finances any television advertising or Internet video advertising in support of the candidate sponsoring the communication or in opposition to some other candidate is required to simultaneously include at the end of such advertising, for a period of not less than four seconds, the following: (A) a clearly identifiable photograph or similar image of the sponsoring candidate, (B) a clearly readable printed statement (i) identifying the sponsoring candidate and (ii) indicating that the sponsoring candidate has approved the

advertising, and (C) a personal audio message in the following form: “I am ...(sponsoring candidate’s name) and I approved this message”.

[Section 9-333w(a), General Statutes, as amended by P.A. 05-188]

Attribution Requirements for Radio or Internet Audio Advertising Communications

In addition to the attribution statement, any candidate, candidate committee or exploratory committee that finances any radio advertising or Internet audio advertising in support of the candidate sponsoring the communication or in opposition to some other candidate is required to include at the end of such advertising a personal audio statement by the sponsoring candidate that (A) identifies the sponsoring candidate and the elective office being sought and (B) indicates approval of the advertising in the following form: “I am...(candidate’s name) and I approved this message”.

[Section 9-333w(a), General Statutes, as amended by P.A. 05-188]

Special Requirements for Deficit after the Election

In addition to the attribution statement, any candidate committee that has a deficit after the election and solicits funds to eliminate the deficit by written or printed communication must include a statement that the funds sought are to eliminate a deficit. [Note: These contributions count towards the donor’s election limitation, and are not subject to a separate limitation.]

[Section 9-333w(e), General Statutes]

Special Requirements for State Treasurer

Any fund-raising letter or other communication from a candidate for State Treasurer or an exploratory committee of a candidate who has not ruled out among the offices being explored a campaign for State Treasurer must include a notice of the prohibitions set forth in Sections 9-333n(f), 9-333o(f) and 1-84(n) of the General Statutes. The Commission provides the following suggested warning as meeting this requirement:

WARNING: No individual who is a director or has an ownership interest in an investment services firm, or is employed by such firm as president, treasurer, executive or senior vice president or who has managerial or discretionary responsibilities with respect to investment services provided to the State Treasurer, nor the spouses and dependents of such individuals, may make a contribution to this campaign. Additionally, no political committee established by such individuals or such firm may make a contribution. Any such contribution shall immediately disqualify such a firm from receiving further payment for current services from an incumbent State Treasurer seeking reelection or for future services during the following four-year term of the next succeeding State Treasurer. *[Required for candidate committees established for State Treasurer or exploratory committees that have not ruled out a run for State Treasurer; inapplicable to other elective offices].*

[Section 9-333w(f), General Statutes]

Exempt Communications

Attributions for political communications are not required for “political paraphernalia” such as pins, badges, hats, rulers, calendars, and bumper stickers (give away items which have a utilitarian purpose beyond the campaign message) and any banner.

Also exempt are campaign signs which have a surface area of 32 square feet or less.

[Section 9-333w(d), General Statutes]

IX. POLITICAL OR PARTY COMMITTEES REGISTERED UNDER FEDERAL LAWS OR REGISTERED IN OTHER STATES

Any political committee or party committee registered with the Federal Election Commission under federal law or under the laws of another state, but not in Connecticut, and which desires to make contributions or expenditures to, or for the benefit of, any Connecticut candidate for office or such candidate's authorized committee may do so only if such donor committee first registers in Connecticut and such committee's funds are solicited specifically for use in Connecticut campaigns. Treasurers receiving such contributions from entities not registered as committees in Connecticut must return the contributions immediately to the donor. Reference may be made to the Commission's separate publication entitled "*Guide for Ongoing Political Committees Established By a Business Entity, Organization, Or Two or More Individuals for Political Activities*" to better understand the registration requirements applying to such donors.

[Section 9-333d, General Statutes]

X. TERMINATION OF THE COMMITTEE – DISTRIBUTION OF SURPLUS AND ELIMINATION OF DEFICITS

Exploratory Committees

An exploratory committee must be terminated when the candidate decides to seek nomination or election to a particular office or when the candidate decides not to seek office. In either instance, the campaign treasurer must file a notice of intent to dissolve the committee with the Secretary of the State's office within 15 days of the candidate's declaration. The notice must be accompanied by a financial disclosure statement identifying all contributions received or expenditures made since the last statement, and the balance on hand or deficit, as the case may be.

If the candidate decides to seek nomination or election to a particular office, he or she must register a candidate committee and no other committee. All surplus funds and equipment of the exploratory committee, as well as its liabilities, must be transferred to the candidate committee. The transfer of funds must be disclosed as an expenditure in Section N, "Expenditures", on the exploratory committee's termination statement and listed in Section C, "Contributions and Reimbursements from Other Committees", on the recipient candidate committee's initial financial disclosure statement. In the event that the exploratory committee has a deficit, the outstanding liabilities must be included on the candidate committee's initial statement in Section O, "Expenses Incurred but Not Paid."

If the candidate has determined that he is seeking a General Assembly or State Office and had previously designated, on the exploratory committee registration statement, that he was not seeking General Assembly or State Office, and such candidate's exploratory committee accepted contributions from a lobbyist (individuals or political committees established by or on behalf of a lobbyist) during any period of prohibition on such lobbyist contributions, he may distribute his exploratory committee's surplus to his candidate committee only to the

extent that the aggregate total of such proscribed lobbying contributions are less than the surplus. Any remaining surplus funds, that is, the amount of the surplus that represents the aggregate total of all proscribed lobbying contributions received, must be either distributed to all the lobbyist contributors on a prorated basis or given to a charity which is tax exempt by Section 501(c)(3) of the Internal Revenue Code.

If the candidate, other than the incumbent State Treasurer, decides not to seek nomination or election to any office and the exploratory committee has a surplus, the surplus must be distributed within 15 days of such decision to one or more of the following:

- a) an ongoing political committee which has agreed, by virtue of the acceptance of such distribution, to never finance a future campaign of such candidate for elective office, whether a state office or some other office;
- b) a party committee (no strings attached);
- c) a tax exempt, tax deductible organization under 501c(3) of the Internal Revenue Code;
- d) to all donors on a pro-rata basis based upon the relationship of the aggregate donation from a particular donor to the total of all donations received by the committee from all donors; or
- e) to the Citizens' Election Fund established by Section 2 of Public Act 05-5 for the public financing of campaigns for State or General Assembly offices after January 1, 2007.

If the candidate is the State Treasurer, the exploratory committee must first return any portion of the surplus that it received from the principal of an investment services firm or a committee associated with any investment services firm on a pro rata basis before distributing its surplus as described above.

If the exploratory committee has a deficit, the treasurer must file a supplemental statement with the Secretary of the State's office within 30 days of the candidate's decision not to seek election to any office. This supplemental deficit statement shall include all contributions received and expenditures made from the date of the last filed statement completed as of 7 days before the filing of the deficit statement and shall include the amount of the deficit. As in the case of a candidate committee, the exploratory committee must remain in existence until the deficit is eliminated. The treasurer is required to file an additional statement on the seventh day of any succeeding month when there is an increase or decrease in the deficit that is greater than \$500 from the last disclosure statement.

[Sections 9-333j(f) and Sec. 53 of P.A. 05-5, General Statutes]

Candidate Committees

If a candidate withdraws prior to a primary or election, the surplus may not be distributed prior to the primary or election, except to (a) a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, (b) or is returned to all contributors to the committee on a pro-rata basis of contribution, or (c) is distributed to the Citizens' Election Fund established by Section 2 of Public Act 05-5 for the public financing of campaigns for State or General Assembly offices after January 1, 2007.

If after the election or an unsuccessful primary, there is a surplus or deficit in the committee's account, the committee must remain in existence to distribute its surplus, or eliminate its deficit, whichever is applicable.

In the event of a surplus, a candidate committee must distribute the surplus by January 31st, for elections held in November, or within 90 days after an election held at any other time or following an unsuccessful primary. A financial statement is due seven days after this distribution, except if such filing due date falls on a Saturday, Sunday or legal holiday, in which case such filing is due on the next business day. Surplus may be distributed to one or more of the following:

- a) an ongoing political committee which has agreed, by virtue of the acceptance of such distribution, to never finance a future campaign of such candidate for elective office, whether a state office or some other office;
- b) a party committee (no strings attached);
- c) a tax exempt, tax deductible organization under 501c(3) of the Internal Revenue Code;
- d) to all donors on a pro-rata basis based upon the relationship of the aggregate donation from a particular donor to the total of all donations received by the committee from all donors; or
- e) to the Citizens Election Fund established by Section 2 of Public Act 05-5 for the public financing of campaigns for State or General Assembly offices after January 1, 2007.

[Section, 9-333](e) and Sec. 53 of P.A. 05-5, General Statutes]

A candidate committee treasurer whose candidate is elected may, with the approval of the candidate, expend the committee's surplus during the 90 day post election period by paying for the clerical, secretarial or other office expenses necessarily incurred by the candidate in preparation for taking office. However, capital assets and equipment for the elective office may not be purchased with surplus funds. The treasurer may not under any circumstances pay surplus proceeds to the candidate or the candidate's family for services rendered to the campaign.

[Section 9-333](e), General Statutes]

Surplus funds may be used to pay expenditures for inaugural activities and a "thank you" party for campaign workers.

The treasurer must file a termination report within seven days after all surplus funds or equipment have been distributed.

[Section 9-333](e)(3), General Statutes]

In the event of any deficit, the treasurer must file a financial statement 90 days after an unsuccessful primary, if applicable, or 90 days after the election, if the election is not held in November, or on February 7th for a November election. If any such filing due date falls on a Saturday, Sunday or legal holiday, the filing is due on the next business day. The financial statement must indicate the amount of the deficit, including an itemized accounting of all receipts and expenditures since the last financial statement. The treasurer is also required to

file an additional statement on the seventh day of any succeeding month when there is an increase or decrease in the deficit that is greater than \$500 from the last filed disclosure statement. The filing deadline for such a supplemental deficit statement is on the seventh day of the next succeeding month.

A final termination statement must be filed on the seventh day of the next succeeding month following elimination of the deficit, and this is true even where the deficit amount is less than \$500.

[Sections 9-333](e), General Statutes]

A candidate committee may, after the election, raise funds only to eliminate its deficit.

Note: An In-Kind Contribution is the donation of goods, services or anything of value given free of charge or at less than the usual charge to the recipient committee. Thus, commercial vendors, who may not as business entities make contributions to a campaign, are expected to take normal and reasonable steps to collect the debt and, concomitantly, the committee treasurer must make reasonably necessary efforts to eliminate the deficit. If such action is not taken, the Commission can conclude that the committee has accepted illegal donations.

XI. GENERAL PROHIBITIONS AND PENALTIES

Vote Buying and Selling

No person may knowingly give, lend or promise to give or lend any money or other valuable consideration to any other person to influence the other person to vote, or refrain from voting for or against any candidate. Any person who votes for or against any candidate in consideration of any gift or other valuable consideration received shall be guilty of illegal practices.

[Section 9-333x(1), General Statutes]

Contributions in False Name

No person may make a payment or contribution to a treasurer in any name other than the name of the true donor or payor; nor may any treasurer knowingly receive the payment or contribution. A treasurer is prohibited from entering the name of someone other than the true donor or payor on the committee's financial disclosure statement.

[Section 9-333x(7), General Statutes]

General Criminal and Civil Penalties

Any person who violates any provision of Connecticut's Campaign Finance Laws is subject to a civil penalty not to exceed \$2,000 or twice the amount of the improper contribution or payment, whichever is greater.

[Sections 9-7b(2), General Statutes]

Any person who "knowingly and wilfully" violates any provision of Connecticut's Campaign Finance Laws is subject to criminal penalties of up to \$5,000 in fines, or 5 years imprisonment, or both.

[Section 9-333y, General Statutes]

Unlawful Solicitation of Contributions or Making of Expenditures

No person may solicit or accept funds or other resources, or expend funds, for or on behalf of a candidate for elective office or any committee unless the committee has been registered with the Secretary of the State. A ten-day grace period applies from the time the individual for whom such solicitations are made or funds are accepted or expended first becomes a candidate.

Similarly, no person may solicit or accept funds or other resources, or expend funds, on behalf of a registered committee during the period in which there exists a vacancy in the position of treasurer and there is no deputy treasurer of the committee to act as treasurer.

No person may solicit or accept excessive contributions or payments that are otherwise prohibited by the provisions of Chapter 150.

[Section 9-333x(10), General Statutes]

Only campaign funds raised in accordance with Connecticut's campaign finance law may be expended during the ninety days preceding the date of an election for any commercial advertisement that refers to one or more clearly identified candidates and that is broadcast by radio or television, other than by means of a public access channel, or that appears in a newspaper, magazine or on a billboard. There is an exception that allows for business entities to run commercial advertisements, during this restricted period, that refers to such business's owner, director or officer who is also a candidate, provided that such commercial advertisements had been broadcast or appeared prior to such individual's becoming a candidate.

[Section 9-333c(a)(2), General Statutes]

Prohibition of Use of Public Funds

No incumbent officeholder may expend public funds to mail or print flyers or other promotional materials intended to bring about his or her re-election or election to another office in the three months preceding the election.

[Section 9-333l(d)(1), General Statutes]

No public official or public employee may, during the twelve-month period preceding an election, authorize the use of public funds for a television, radio, movie theater, billboard, bus poster, newspaper or magazine promotional campaign or advertisement which, *for any purpose*, features the name, face or voice of a candidate for elective office, or which *promotes* the nomination or election of a candidate for elective office.

[Section 9-333l(d)(2), General Statutes, as amended by P.A. 05-5]

Prohibited Solicitations

Commissioners and deputy commissioners of state agencies are prohibited from soliciting funds for the benefit of any candidate, political or party committee. However, elective state officers or their deputies may solicit.

[Section 9-333x(11), General Statutes; Advisory Opinion No. 83-2]

Municipal employees are prohibited from soliciting funds for the benefit of any candidate, political or party committee from an individual under the supervision of such employee or their spouse or dependent children.

[Section 9-333x(12), General Statutes]

The following individuals are prohibited from soliciting contributions from a principal of an investment services firm on behalf of any candidate committee, political committee or party committee: the State Treasurer or any candidate for State Treasurer, any agent of any such candidate, the Deputy State Treasurer, any member of the State Investment Advisory Council or any unclassified employee in the office of the State Treasurer acting at the direction of the State Treasurer or Deputy State Treasurer. This restriction does not apply to candidate and exploratory committees for an office other than State Treasurer established by the incumbent State Treasurer. This solicitation restriction also does not apply to these individuals soliciting contributions to their own candidate committees for an office other than State Treasurer or an exploratory committee in which the office of State Treasurer has been ruled out.

[Section 9-333n(f)(3), (4), (5), General Statutes]

Testimonial Affairs

No testimonial affair can be held for a candidate, or any elected official during his term of office, unless its purpose is to raise funds for the individual's candidate committee. A testimonial affair is an event held in honor of a candidate or in honor of an individual who holds elective office during the term of office. There are two exceptions to this rule:

1. A retirement party may be held for an individual who has announced his intent to retire from public office, unless he has a deficit outstanding from any one of his prior campaigns, in which case the proceeds must be used to eliminate the deficit; or
2. A testimonial may be held by an entity duly organized for charitable purposes, provided that all proceeds go to the charity.

Anyone who organizes an improper testimonial or fundraiser is subject to civil and potentially criminal liability.

If a party or political committee conducts a testimonial affair to benefit a candidate or elected official, the net proceeds must be given to the individual's candidate committee. All contributions and monetary receipts must be given to the candidate committee by the treasurer of the party or political committee, after payment of expenses, and the identity of the donors must be disclosed to the candidate committee in relationship to the receipts attributable to each such donor, subject to the aggregate limits separately applicable to both the sponsoring committee and the candidate committee. For example, individuals purchasing tickets to the testimonial are considered to have made a contribution to the candidate committee for the full amount of the purchase price and to the committee sponsoring the testimonial in the full amount of the same purchase price. In addition, the expenses paid by the sponsoring committee must be reported by the candidate's committee as an In-Kind Contribution, and the sponsoring committee's treasurer must provide the written valuation notice required for In-Kind Contributions.

[Section 9-333k(b), General Statutes]

Prohibition on Gifts, Compensation and Honoraria to Elected Officials

No political committee may make a gift, compensate or provide an honorarium to any elected public official for any speaking engagement or other services rendered on the

committee's behalf except through such public official's candidate committee, if applicable. However, a public official may be reimbursed for actual travel expenses incurred by the official or member of the official's immediate family in connection with the engagement. The official or the member of the official's immediate family may consume, food and beverage offered by the committee in connection with the speaking engagement or other services rendered; any gift or honorarium may only be made as a contribution to such official's candidate committee provided that it is reported on the committee's campaign finance disclosure statement.

[Section 9-333i(h), General Statutes]

Promise of Public Appointment or Position of Trust

No individual may, in order to influence his nomination or election or that of any other individual, promise to appoint or secure the appointment of any other individual to any public office or to any position of honor or trust.

[Section 9-333x(6), General Statutes]

XII. PUBLIC RECORDS

The registration and disclosure statements filed on behalf of candidate are available for public inspection either at the office of the Secretary of the State or found at the Secretary's website at <http://www.sots.ct.gov/> . These statements are required to be kept by the filing repository for five (5) years from the date of filing.

[Section 9-333j(c)(4), General Statutes]

XIII. COMPLAINTS

Who May Bring a Complaint?

Any individual may bring a complaint to the State Elections Enforcement Commission requesting that an investigation be made into any alleged violation of the State election laws.

The State Elections Enforcement Commission may, on its own initiative, also decide to conduct an investigation on any possible violation of the State election laws.

[Section 9-7b, General Statutes]

Form of Complaint

All complaints filed with the Commission must be in writing and sworn to under oath by the complainant.

A pre-printed form, which is available both at the State Elections Enforcement Commission's offices and at its website, <http://www.ct.gov/seec> , may be used to file complaints. A complaint may also be filed in letter form provided that it is sworn to under oath.

Complaints must be submitted with an original signature of the complainant. No copies or facsimiles will be accepted.

Complaints should include the following:

- The legal name, address and telephone number of the individual filing the complaint.
- A clear and concise statement of the facts including:

1. The date of the alleged violation(s);
2. The identity of the person(s) alleged to have committed the violation(s);
3. The identity of any person(s) who may have knowledge of the facts asserted in the complaint; and
4. Any other document, written material or other information known to the complainant and having a bearing on the violation(s) alleged in the complaint.

XIV. DECLARATORY RULINGS

Who may request a Declaratory Ruling?

Any individual or entity may request declaratory ruling from the State Elections Enforcement Commission.

What May Be the Proper Subject of a Declaratory Ruling?

The subject of a declaratory ruling may concern the applicability of any provision of Chapter 150 of the General Statutes, or any regulation promulgated by the State Elections Enforcement Commission, with respect to a course of action contemplated by the person seeking the ruling.

Formal Requirements for a Declaratory Ruling

A request for a declaratory ruling must contain the following:

1. An original signature, address, and telephone number of the person(s) requesting the opinion or ruling;
2. A clear and concise statement of the issue;
3. A statement that the course of action contemplated by the person is real and not hypothetical or imaginary;
4. An identification of the particular aspect of the provisions of Chapter 150 of the General Statutes or regulation to which the request is addressed; and
5. Any facts and arguments that support the position of the person making the inquiry.

The declaratory ruling procedures may not be used to challenge the legality or legal sufficiency of another person's actions; rather the complaint process must be used for that purpose.

Notice Procedures Relating To Declaratory Rulings

A declaratory ruling request must be mailed to the State Elections Enforcement Commission or delivered in person during normal business hours.

If the Commission determines a declaratory ruling will not be rendered, it will, within thirty (30) days of such determination, notify the person(s) requesting the same of its denial.

The State Elections Enforcement Commission may give notice to other persons that a declaratory ruling has been requested and the Commission may receive and consider facts, arguments and opinions from them.

Opinions of Counsel

Opinions of Counsel differ in effect from Declaratory Rulings or Advisory Opinions of the Commission. They may be requested informally from the Executive Director & General Counsel of the Commission and are not binding on the Commission; however, the person to whom an Opinion of Counsel is rendered may rely upon the opinion with respect to any matter subsequently brought before the Commission upon the same facts addressed in the opinion. Please contact any member of the State Elections Enforcement Commission's legal staff for assistance in requesting an Opinion of Counsel.

XV. CONCLUSION

This Guide was intended to clarify and summarize the most important provisions relating to Connecticut's campaign financing requirements relevant to candidates seeking election to State Offices, General Assembly and Judge of Probate.

Inquiries regarding campaign financing requirements, legal interpretations of the State Elections Enforcement Commission as well as complaints and requests for Declaratory Rulings may be addressed to:

State Elections Enforcement Commission
20 Trinity Street, Suite 101
Hartford, Connecticut 06106-1628

Jeffrey B. Garfield, Executive Director & General Counsel

Tel No.Area Code (860) 566-1776
Toll Free within CT1-866-SEEC-INFO [1-(866)-733-2463]
Fax No.....Area Code (860) 566-4402
URL: <http://www.ct.gov/seec>
E-Mailseec@po.state.ct.us

Requests for copies of the published calendar of specific filing dates and committee registration and disclosure statements may be obtained from the State Elections Enforcement Commission and also from:

Office of the Secretary of the State
Elections Services Division
P.O. Box 150470
30 Trinity Street
Hartford, Connecticut 06115

Tel No.Area Code (860) 509-6101
Fax No.....Area Code (860) 509-6127
URL: www.sots.ct.gov/

XVI. EXPENDITURE CODE DEFINITIONS AND USES

A ADVERTISING. Use "A" for expenditures associated with the cost of radio, television, newspaper, magazine and outdoor advertising such as the rental of billboard space, or property rental for placement of yard signs, etc. This should be distinguished from the cost of printing lawn or yard signs or graphic design services for the layout, preparation or design of advertising which would be coded either as "PR" (PRINTING) or "PC" for PROFESSIONAL CONSULTING SERVICES, as the case may be (see explanation of these codes below).

B BANK. Use "B" for payments made for bank charges including check printing fees; but not for a repayment on a bank loan. Use "L" for repayments on a loan.

C CONTRIBUTIONS TO OTHER COMMITTEES. Use "C" for contributions made directly to another committee or another candidate, other than a payment for services or reimbursement for shared expenses. Use "RC" for reimbursements to other committees or candidates for shared expenses or "P" for Payments to Other Committees for Services (see below).

CC CREDIT CARD PAYMENTS. Use "CC" for payments made to credit card companies used by the committee. Following completion of all of the information contained in this horizontal row, go immediately to the next and succeeding horizontal row or rows and follow the instructions for a secondary payee "SP-" with respect to those vendors and other entities paid by the credit card company as set forth on the most recent credit card billing invoice to the committee.

CP CAMPAIGN PARAPHERNALIA. Use "CP" for costs for producing items to be sold or given away by committee, such as pins, hats, bumper stickers, tee shirts, etc.

CH CHARITY. Use "CH" for contributions by a party committee or ongoing political committee to a charitable organization which is tax-exempt under Section 501(c) (3) of the Internal Revenue Code.

F FUND-RAISING EVENTS. Use "F" for expenditures associated with holding a fundraiser, including payments to restaurants, hotels, caterers, food and beverage vendors, entertainers and speakers. That subcategory of fund-raising expenses dealing with the printing of a fund-raising solicitation letter or a

program book etc. should be coded as "PR" (PRINTING).

FG FOOD & GIFTS. Use "FG" for expenditures for food, beverage or gifts for campaign or committee workers. See limits in Sec. 9-333i(g), CGS.

G GENERAL OPERATION AND OVERHEAD. Use "G" for general campaign operating expenses and overhead, including headquarters rental, insurance, utilities, purchased office supplies, voting lists, expenses for telephones, subscriptions, purchase or rental of office equipment and furniture and maintenance and repair of same, and similar overhead operating expenses.

I INAUGURALS. Use "I" for expenditures relating to an elected candidate's inauguration made by that elected candidate's candidate committee.

L LOAN. Use "L" for repayments made on a loan, whether payment of principal, or interest, or both.

P PAYMENTS TO OTHER COMMITTEES FOR SERVICES. Use "P" for payments by a committee to another committee which are neither contributions or reimbursements, but are for services rendered (i.e., program book purchases, purchase of a mailing list, etc.).

PC PROFESSIONAL CONSULTANTS. Use "PC" for salaries, fees, and commissions paid to professional consultants, including attorneys, accountants, advertising and similar professionals. If the payment to the professional consultant includes known charges which the professional consultant has already made or will make to a secondary payee, that is, to another vendor (such as a pollster or commercial advertiser), following completion of all of the information contained in this horizontal row, go immediately to the next and succeeding horizontal row(s) and follow the instructions for a secondary payee "SP-" (see below).

PO POSTAGE. Use "PO" for expenditures for stamps, postage, bulk mail permits, post office boxes, United Parcel Service, Federal Express, and direct mail services (postage only). This should be distinguished from the printing costs or the cost of layout, preparation or design of the item being mailed, which would be coded either as "PR" (PRINTING) or "PC" (PROFESSIONAL CONSULTING SERVICES) as the case may be (see explanation of these codes herein).

PR PRINTING. Use "PR" for expenditures associated with the costs for printing and reproducing campaign literature, stationery, invitations and the like. These expenditures may include photocopy costs when billed to the campaign by a vendor (photocopy costs borne by the committee through reproduction made at headquarters would be coded as "G" for General Operation and Overhead).

RC REIMBURSEMENTS TO OTHER COMMITTEES. Use "RC" for reimbursements to other committees for shared expenses.

RW REIMBURSEMENTS TO COMMITTEE WORKERS OR THE COMMITTEE'S SPONSORED CANDIDATE. Use "RW" for reimbursements to committee workers (all committees) or to the committee's sponsored candidate (applicable only to candidate or exploratory committees). Because vendors' invoices or cash register receipts must be submitted with any reimbursement request, following completion of all of the information contained in the horizontal row applicable to this expenditure to the individual being reimbursed, go immediately to the next horizontal row or rows and follow the instructions for a secondary payee "SP-" (see below). Note that candidates have special reporting requirements to their treasurers for campaign expenses paid by the candidate (see Sec. 9-333(i)(k), C.G.S. for these requirements).

S SURVEYS AND POLLS. Use "S" for expenditures associated with the design or production of any poll, report on election trends, voter survey, telemarketing, telephone banks, etc.

SD SURPLUS DISTRIBUTION. Use "SD" for expenditures which are distributions of surplus in connection with the termination and dissolution of a candidate or exploratory committee.

SP- SECONDARY PAYEE OR BENEFICIARY. Use "SP-" as a coded purpose for an expenditure whenever the reported expenditure to the primary or principal payee is known to include charges which the primary payee has already paid or will pay directly to another person, vendor or entity. This will typically arise in the context of reimbursements to campaign workers or candidates ("RW"), payments to credit card companies ("CC"), or payments to professional consultants ("PC") where invoices were received from the primary payee which indicated charges paid or to be paid by such principals to secondary vendors. Immediately following the horizontal row where the report of this

expenditure to the primary payee is made, on the next succeeding line or lines, complete the name & address of the secondary payee, followed by the expenditure code "SP-" (including the dash "-") followed by the coded purpose of the payment (if known) which the primary payee made to the secondary vendor or secondary payee. For example, if a professional consultant made a payment to the Hartford Courant for a full page ad, the Hartford Courant, Broad Street, Hartford will be set forth in the name & address column, and the purpose of the expenditure column will be "SP-A" (reflecting the fact that a payment was made by the professional consulting firm to the Hartford Courant for an advertisement). Note that only that the secondary amount will be filled in (reflecting the amount that the primary payee paid to the secondary vendor or entity) and that the Amount Column on the right hand side will be left completely blank whenever the Purpose of Expenditure by Code column is "SP-." Also, if the purpose of the secondary payment is not known, the coded purpose should be reported only as "SP." Lastly, for payments to credit card companies, each charge invoiced by the credit company should be reflected as a secondary payment by name and address of the secondary payee irrespective of the size of the secondary amount. However, for secondary payments arising in other contexts, such as payments to professional consultants or reimbursements to committee workers or candidates, secondary payments of amounts of \$100.00 or less do not have to be reported in this manner, provided of course that the primary payment is fully reported (as must always the case).

T TRAVEL, LODGING & MEALS. Use "T" for expenditures made for authorized travel of committee workers or the candidate (candidate or exploratory committees), such as vehicle expenses, gasoline, lodging and meals.

W WAGES, SALARIES, BENEFITS. Use "W" for expenditures associated with compensation paid to in-house staff. Professionals who are paid for outside consulting services are expenditures which should be coded as "PC" (PROFESSIONAL CONSULTING SERVICES).

M MISCELLANEOUS. Use this category for an expenditure only when it does not fit within any of the previous categories. Specify purpose when over \$100 dollars.

Permissible Contributions

Aggregate Dollar Limits^a

<i>Recipient Candidate Committee for:</i>	Contributor Sources ^b				
	Individual ^c	Party Committee	Political Committee formed by two or more Individuals	Political Committee formed by a Business	Political Committee formed by an Organi- zation
<i>Governor</i>	2,500	Unlimited	Unlimited	5,000	2,500
<i>Lieutenant Governor Secretary of the State Treasurer Comptroller Attorney General</i>	1,500	Unlimited	Unlimited	3,000	1,500
<i>State Senator Judge of Probate</i>	500	Unlimited	Unlimited	1,000	500
<i>State Representative</i>	250	Unlimited	Unlimited	500	250
<i>Undetermined Office (Exploratory Committee)</i>	250	Unlimited	250	250	250

A candidate's exploratory committee must distribute its entire surplus, if any, to his or her candidate committee.

- These limits apply separately to primaries and elections, see Page 15 for an explanation of the separate aggregate rules applicable to primaries and elections.
- Only contributions from political and party committees which are registered in Connecticut may be accepted. *Note:* A political committee formed for a referendum may not give to candidate committee or exploratory committee under any circumstances.
- An individual less than 16 years of age may not contribute more than \$30 dollars.

